Traffic Outlook For
The Next 90 Days...p. 22

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April 4, 1960

RAILWAY AGE *weekly*

Why the circus came back to the rails...p. 32

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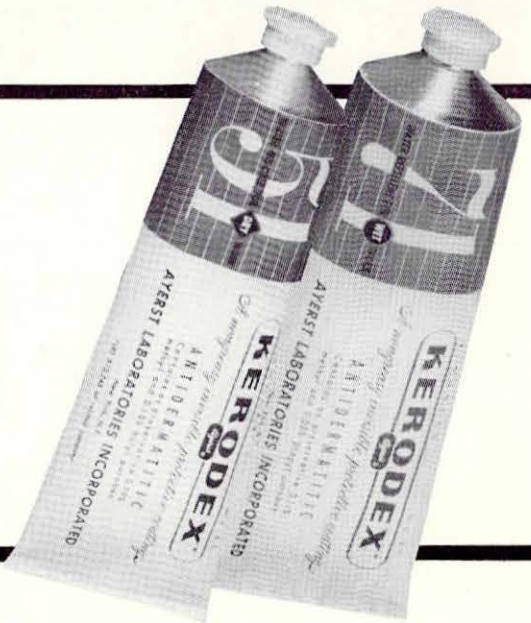

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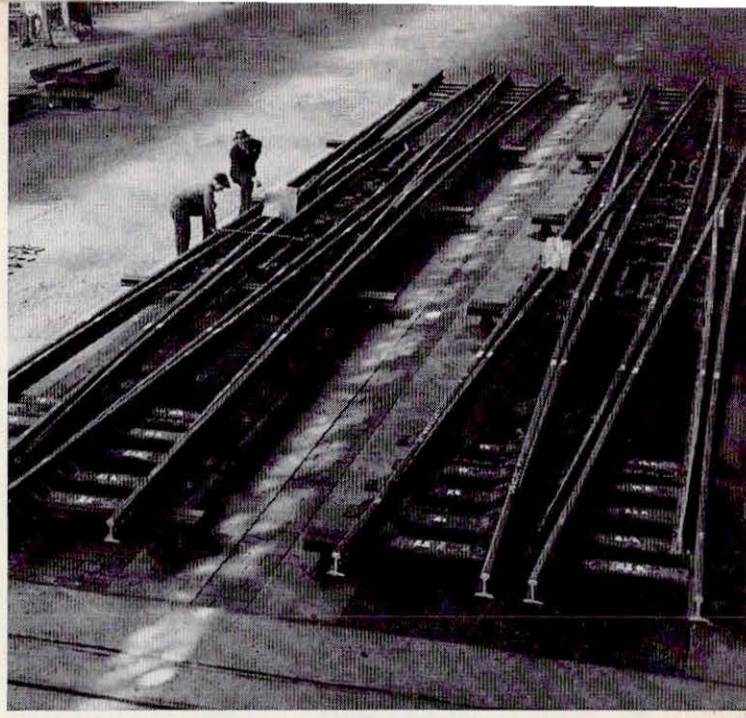

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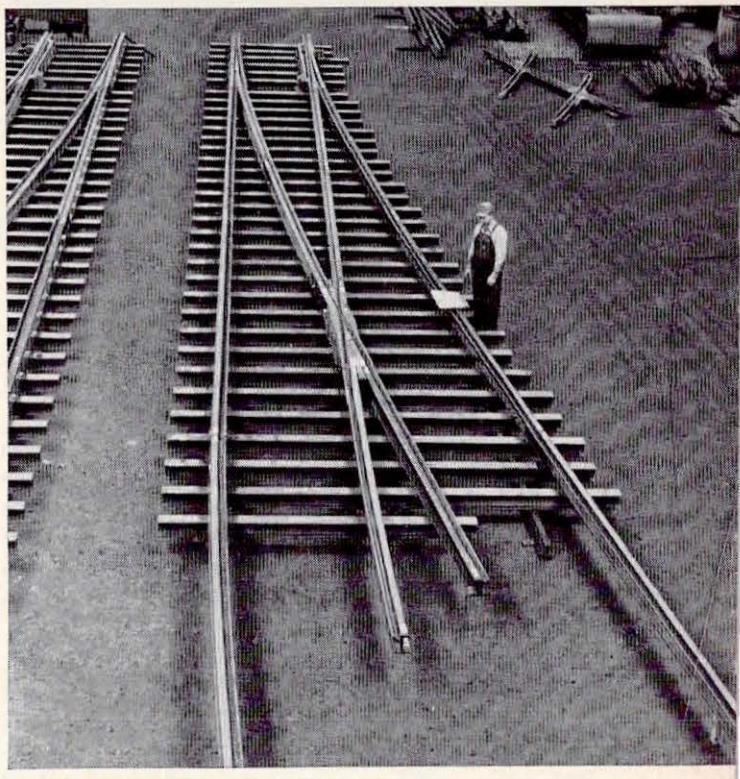

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RAILWAY AGE *weekly* April 4, 1960 • Vol. 148, No. 14

Week at a Glance

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Merger of Erie, DL&W favored ..... p. 9

This century's biggest consolidation of independent railroads has cleared a major hurdle with a favorable proposed report from an ICC examiner. He rejected pleas of interveners for specially-tailored open-route and labor-protection conditions.

Cover Story—Southern gets its aluminum gondolas p.12

The 750 units, largest single lot of aluminum freight cars ever ordered in the U.S., were delivered by Pullman-Standard last week. The cars, whose production required special methods, are being assigned exclusively to on-line coal hauling.

'J' salary plan controls costs p.18

It also provides incentive for individual performance in all supervisory positions. The road's salary structure helps to recruit, develop and retain good management talent.

Second-quarter traffic forecast p.22

Piggyback is the bright spot in the carloadings picture, according to Simmons-Boardman Director of Research J. W. Milliken. Carloadings as a whole will be up around 1% over last year's second quarter.

BAR: Non-transport diversification? p.27

To broaden its earnings base, the Bangor & Aroostook wants to diversify into other business fields—probably outside its own small territory.

Cover Story—Ringling circus returns to the rails p.32

Highway travel was found to be expensive and too disorganized for a circus manager's peace of mind. The circus train, in a new format, will make its first run May 16.

Needed: Better training for M/W men p.40

With properly trained operators and mechanics, suggests a joint industry-supplier panel, railroads would get a better return from their heavy investments in maintenance-of-way equipment.

The Action Page—Subsidy to provide 11¼% return? p.46

Capital Airlines is said to be seeking a substantial federal subsidy. The airline figures it is entitled to an 11¼% return on its investment. If it can't get the necessary money directly from its customers, then Uncle Sam should ante up the difference.

AN EXCEPTIONALLY ADVANTAGEOUS TRIPLE-PURPOSE MACHINE!!

THE JACKSON JACK-SPOT TAMPER

TOPS FOR JACK TAMPING. It's exceptionally fast, accurate and positive in jacking to reach and hold the track raise and cross level. It quickly and firmly tamps tie to hold raise for production tampers and keeps out of their way. Adapted to existing track surfacing equipment.

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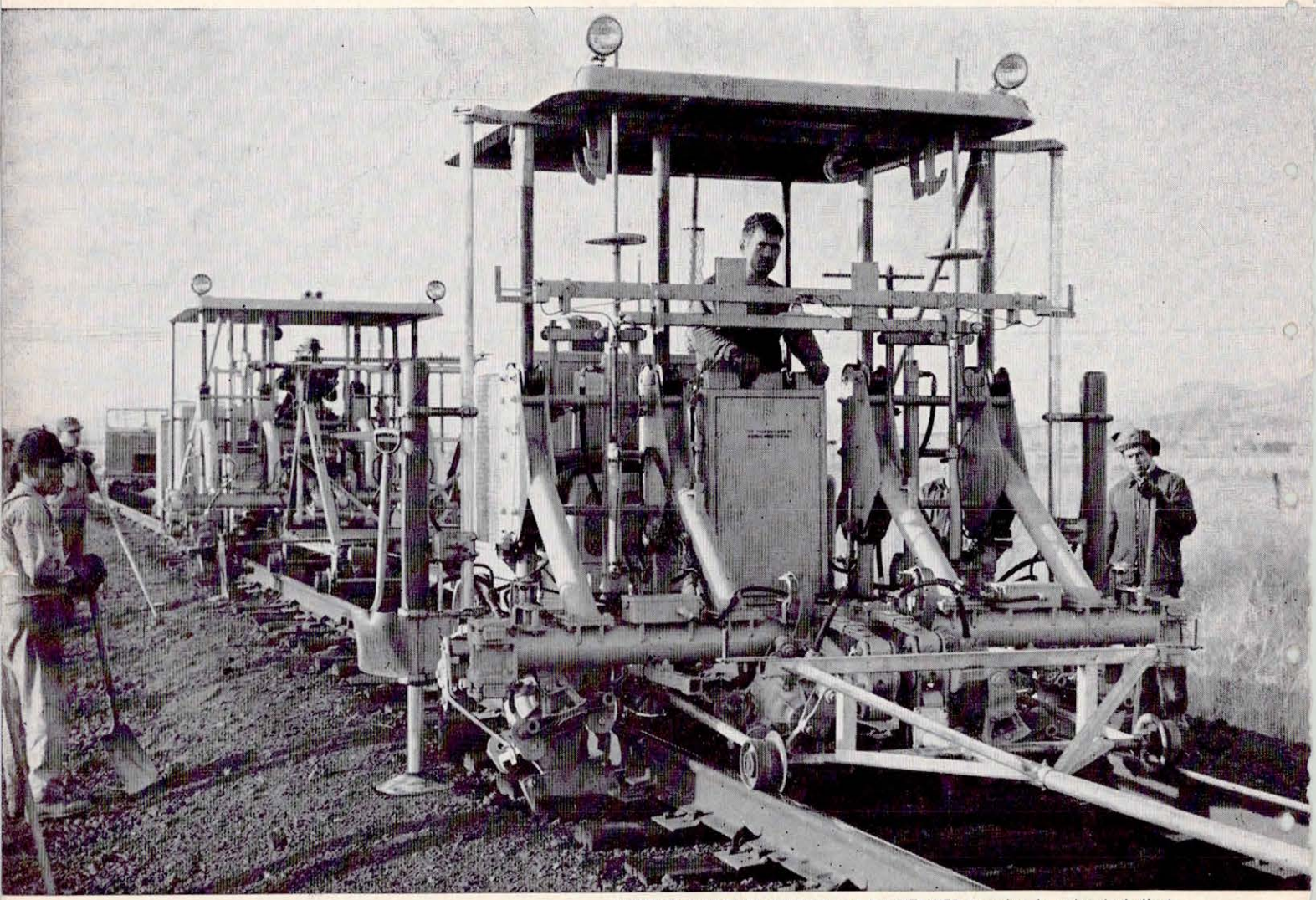

JACKSON JACK-SPOT TAMPER and MAINTAINER tamping in volcanic ballast.

JACKSON VIBRATORS, INC.

LUDINGTON, MICHIGAN

Week at a Glance CONT.

Current Statistics

Operating revenues	
1 mo., 1960	$789,265,270
1 mo., 1959	784,161,653
Operating expenses	
1 mo., 1960	633,867,856
1 mo., 1959	644,544,329
Taxes	
1 mo., 1960	84,362,913
1 mo., 1959	78,905,591
Net railway operating income	
1 mo., 1960	43,566,271
1 mo., 1959	36,093,881
Net income estimated	
1 mo., 1960	30,000,000
1 mo., 1959	21,000,000
Average price railroad stocks	
Mar. 29, 1960 ..	95.70
Mar. 31, 1959 ..	106.09
Carloadings, revenue freight	
11 wks., 1960 ...	6,378,639
11 wks., 1959 ...	6,362,769
Freight cars on order	
March 1, 1960 ..	46,323
March 1, 1959 ..	28,789
Freight cars delivered	
2 mos., 1960	7,900
2 mos., 1959	4,426

●

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Short and Significant

Featherbedding strike threat . . .

has not disappeared, says Research Institute of America. The Institute's copyrighted weekly report of March 19 speculates that trouble may not come before early summer but suggests that shippers plan ahead now: Get latest rates and routes on non-rail transport; try a few test shipments to iron out bugs; cement relations with other carriers since "these carriers will naturally give preference to shippers who were with them before the strike. . ."

An 0.5% increase in carloadings . . .

in this year's second quarter as compared with the like 1959 period is forecast by the 13 Regional Shippers Advisory Boards. That would put loadings of the 32 principal commodities at 6,916,786 cars compared with the year-earlier total of 6,885,182 cars. Increases are predicted for 19 commodities and decreases for 13. (Railway Age's own second-quarter forecast calls for a 1% increase in carloadings as a whole. See page 22.)

This year's gross capital expenditures . . .

are now expected to be 10.8% above the 1959 total. This is indicated by estimates submitted to the ICC by 106 of the Class I line-haul railroads. They expect to spend $859.2 million this year as compared with the $775.5 million they spent last year. The 1959 total for all Class I line-haul roads was $818 million.

A 'Northern Ports Foreign Freight Committee' . . .

to handle all rate matters involving export and import traffic has been proposed by C&EI President David O. Mathews. Shippers, carriers and port officials must work together, he contends, to develop a formula for export-import adjustments if Great Lakes ports and tributary areas hope to prosper from the Seaway.

Arbitration hearings in the BLE wage case . . .

will begin Tuesday, April 5 in Chicago with opening statements from the brotherhood and the carriers. The six-man arbitration board will then hear testimony from the union in support of its 12% wage-hike demand. Carrier witnesses will go on after the BLE winds up its presentation.

Creation of an emergency board appears likely . . .

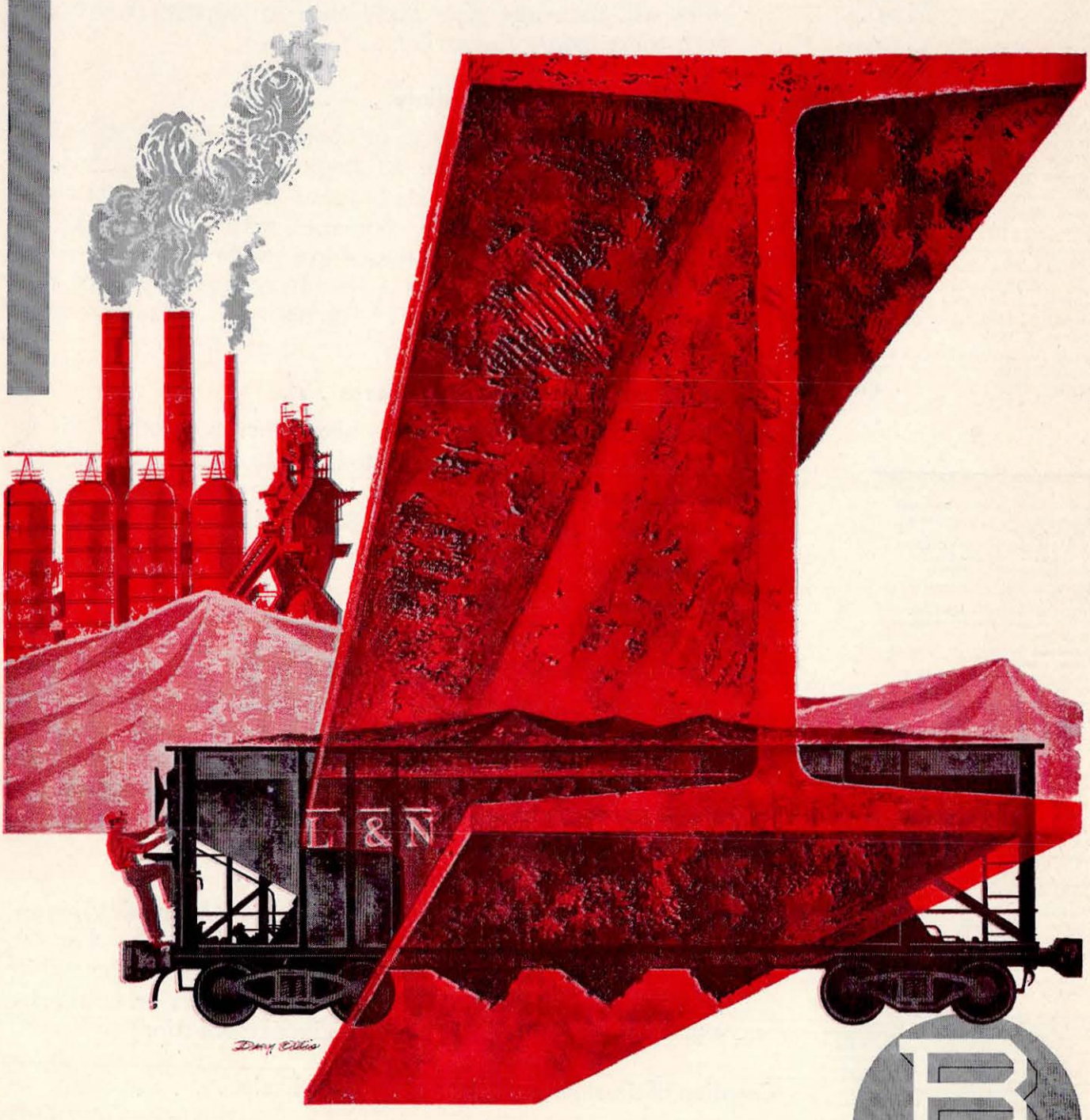
in the non-ops' dispute with the carriers. Arbitration was apparently ruled out by a report that the unions rejected the NMB's offer. The carriers accepted arbitration, provided certain issues considered not bargainable were disposed of.

The L & N . . . where Brenco Bearings are on the move!

Iron ore bound for Birmingham . . . steel to build a growing South . . . rides the rails on the L & N.

Helping this great railroad keep the tonnage moving are Brenco Bearings . . . products of Brenco Incorporated, where bearing technicians are dedicated to the task of making better freight car bearings at lower cost.

Brenco bearings . . . more than a million in service!



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BRENCO BEARINGS

Merger of Erie, DL&W Favored

► The Story at a Glance: The ICC has been advised by Examiner H. J. Blond to approve the proposed merger of the Delaware, Lackawanna & Western into the Erie. The examiner recommended that only the so-called standard conditions be imposed to insure maintenance of existing routes and protection of employees. He rejected pleas for specially-tailored open-route and labor-protection conditions which were made, respectively, by some intervening roads and by railway labor.

The biggest twentieth-century consolidation of independent railroads moved a step closer to reality last week.

The Erie-DL&W merger now has the nod of Examiner Blond, whose proposed report was made public last Wednesday. If approved by the Commission, the merger would create a 3,200-mile system (the Erie-Lackawanna) and thus supplant Norfolk & Western-Virginian as the biggest railroad consolidation of the century. The N&W-Virginian merger, which became effective last year, created the present 2,750-mile N&W system.

Evidence convincing him that an Erie-Lackawanna merger would "enhance the adequacy of service available to the public" and "conform with the purposes and objectives of the national transportation policy" was the general basis of Examiner Blond's favorable recommendation.

The favorable recommendation calls specifically for Commission approval of various phases of the merger plan, i.e., issuance by Erie of the additional stock needed for its present holders, and to exchange for Lackawanna shares; assumption by the Erie of Lackawanna debt and other liabilities, and line abandonments and construction projects designed to coordinate the merged properties.

The 3,231 miles of line to be operated by the merged company include the Erie's 2,313 miles and the Lackawanna's 918 miles. Lines owned total about 2,900 miles.

Lines of the Erie extend from Jersey City, N. J., westerly through Port Jervis, N. Y., Susquehanna, Pa., Elmira, N. Y., Salamanca, Youngstown, Ohio, Marion, Huntington, Ind., and Hammond to the Indiana-Illinois line, thence by trackage rights over the Chicago & Western Indiana to Chicago. Connecting main lines and branch lines extend to Scranton, Pa.; Buffalo, N. Y., Rochester, and Dunkirk; Cleveland, Ohio, and Dayton.

Lackawanna lines extend from Hoboken, N. J., in a northwesterly direction through Stroudsburg, Pa., Scranton, Binghamton, N. Y., and Elmira to Buffalo. There are also lines between Jersey City and Denville, N. J.; Binghamton and Oswego, N. Y.; Chenango Forks, N. Y., Utica and Richfield Springs; and Scranton and Northumberland, Pa. Both roads have marine operations in New York harbor.

"Essentially," as the examiner explained, "Erie and Lackawanna have competitive main lines between the New York City area and Buffalo and between those terminals serve 55 common stations . . . for a distance of about 125 miles, between Wayland and a point east of Binghamton, the lines are practically adjacent to each other and between Gibson and Binghamton, approximately 75 miles, both applicants use the same trackage . . .

"Such traffic presently originating or terminating at points served by Lackawanna is interchanged at Buffalo with Erie and with other connecting railroads, each of which have major terminals at Buffalo and have lines physically competitive with Erie's lines in the area not directly served by Lackawanna. Thus, to a considerable extent, Erie and Lackawanna compete directly for traffic to and from points west of Buffalo, as well as within the area where both are situated physically."

In the report is a pro forma balance sheet which uses figures as of May 31, 1959, to indicate what the balance sheet of the merged company would look like. Total assets are shown at $739.9 million. The indicated capitalization shows long-term debt at $317.1 million and capital stock at $163 million. Erie and Lackawanna revenues for 1958 were $152.7 million and $76.3 million, respectively.

Stock-distribution arrangements provide that Lackawanna shares would be exchanged for merged-company stock on a share-for-share basis. Erie stockholders would get a 25% stock dividend—to give them 1¼ shares in the merged company for each share now held. The merged company would have 4,701,236 shares of non-par common stock with a stated value of $32 per share.

The merger is expected to result in savings of $13.5 million a year, although they wouldn't be realized in full until the fifth year after it became effective. That's the estimate of Wyer, Dick & Co., which made the merger studies. It was accepted by the examiner, who pointed out, however, that the 52% income-tax bite would cut it to $6.24 million.

The examiner's determination that the merger would be in accord with the national transportation policy was based in part on his conclusion that the setting of the proposal was like those which prompted the Commission to make like determinations in the N&W case and in the earlier case

Wanted: An Emblem

Although it has been announced for some time that the merged company will be named Erie-Lackawanna, an emblem for the new road has yet to be chosen. Both of the merging companies have well-established trade marks, but neither, by itself, would quickly identify the merged railroad as a new organization.

In the quest for a new symbol and slogan, employees of both companies have been urged to submit sketches and ideas in a contest sponsored jointly by the two company magazines. To keep the contest lively, a first prize of 10 shares of common stock in the merged company will go to the winner from each company.

From the contest, Erie-Lackawanna hopes to get a design that can be used on box cars, letterheads, timetables, tug boats and the rest just as the familiar Erie diamond and Lackawanna rectangle do now.

involving merger of the Nashville, Chattanooga & St. Louis into the Louisville & Nashville. A similar Commission appraisal of the national-policy phase is warranted here, Mr. Blond said. He continued:

"In each case—N&W and L&N—the applicants were strong or relatively prosperous and the lessening competition would be unimportant for the reason that strong competition for the available traffic would continue to be afforded by other forms of transportation within the territories in question. In the situation herein, the traffic affected by competition between the applicants is substantial; the railroads involved are weak carriers financially; and the existing competition by other railroads and other forms of transportation would continue as strong, or stronger, than at present. Considering all the circumstances, the change in the competitive situation between the Erie and Lackawanna would have no adverse effect upon adequate transportation service."

In the latter connection, the proposed report noted that many interested shippers favored the merger while none opposed it. The standard open-route conditions, which the examiner recommended, would require maintenance of all routes via existing gateways and junctions; maintenance of the Lackawanna's "present neutrality" with respect to the handling of interline traffic; maintenance of present traffic and operating relationships between the Lackawanna and connecting roads "insofar as such matters are in control of the Erie-Lackawanna"; and maintenance of non-discriminatory arrangements for interchange of cars.

Also, the merged system could not do anything to restrain the routing rights of industries located on the Lackawanna. And the Commission's jurisdiction would be retained for the purpose of receiving applications of interested parties for modification of the conditions.

The "tailored" conditions were sought by the Nickel Plate, now the Lackawanna's principal connection at Buffalo, and the Wabash. Generally they were designed to keep traffic moving through present junctions and gateways. They reflected the fear of those roads that their interline traffic with the merged system would give them shorter hauls, and thus smaller divisions of joint revenues, than they now get from their interline business with the roads.

Such fears arise because a great many shipper routings do not specify junction points—they merely name railroads. So each named road takes the longest haul it can get on an interline shipment. Disclaiming any intention to belittle the disadvantages which might confront those seeking the "tailored" conditions, Mr. Blond went on to say: "The injuries from which they seek to be insulated are part of the risk involved in the daily business of railroading within areas where strong railroad competition exists."

Watching Washington *with Walter Taft*

• **DEREGULATION ISSUE** has been clouded by some "artfully prepared" railroad advertising in the opinion of Commissioner Tuggle of the ICC. He says he knows no railroad man who would say "take away regulation." And he predicts that, under "dog-eat-dog" conditions, railroads "would bankrupt each other in two years when they got to fighting and reducing rates."

THESE STATEMENTS were made to a House committee which was considering proposed appropriations for Commission operations during the next fiscal year. They were in Mr. Tuggle's reply to questions of committee members who had the impression, from railroad advertising, that the carriers thought regulation "much too onerous."

SUCH ADVERTISEMENTS were directed for the most part toward passenger service, Mr. Tuggle also said. Where they referred to overregulation, he thinks they were complaining principally about failures of state commissions to act favorably and promptly on train-off proposals.

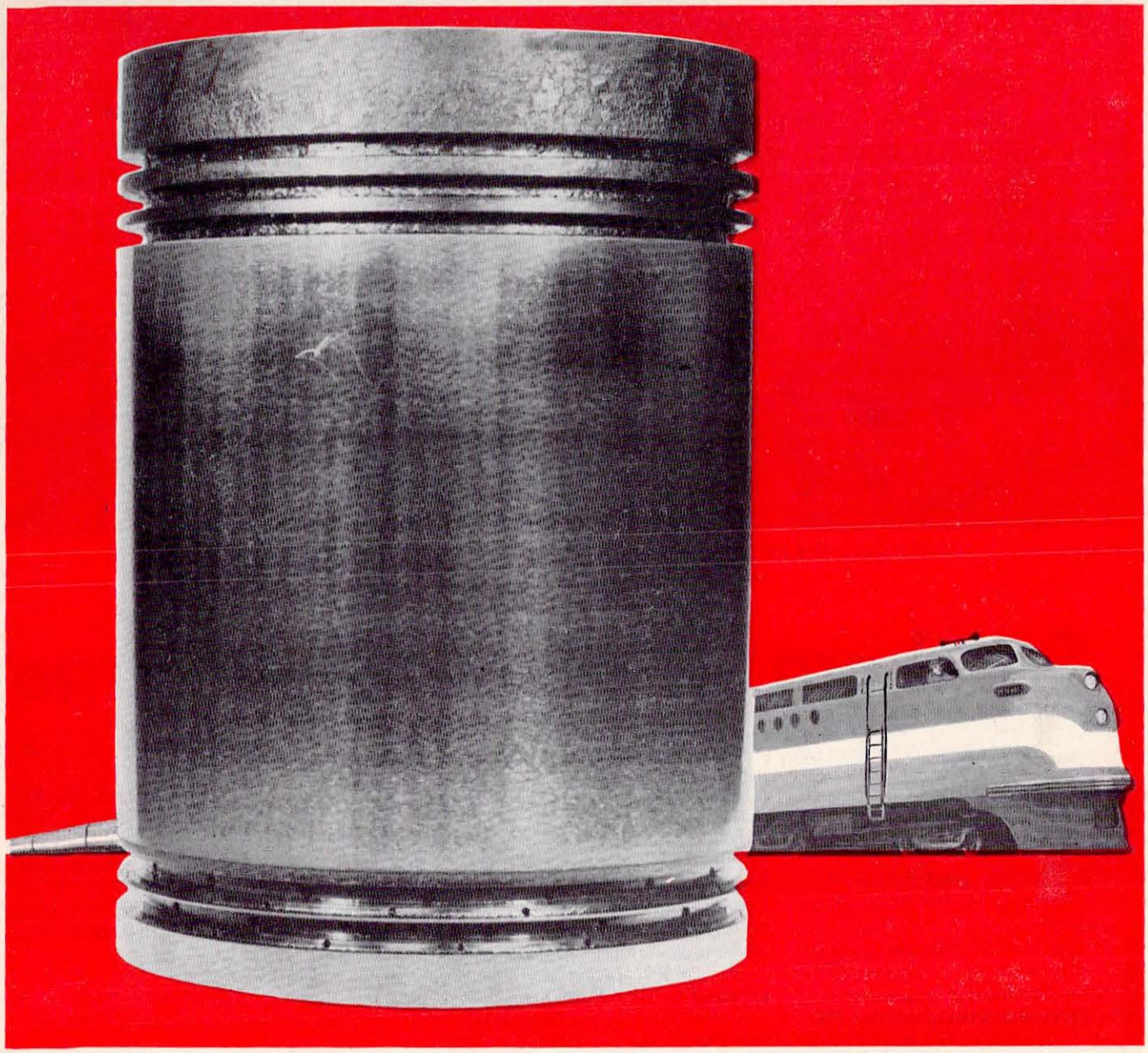
COMMISSION CHAIRMAN WINCHELL, too, thinks railroads don't really want deregulation. He's "sure" they would be "the first" to protest if legislation calling for deregulation were proposed.

SOME DEREGULATION, however, is favored even by the Commission, Mr. Winchell told the House committee. The only example he gave was the Commission's plea for relief from the chore of fixing boundaries of standard-time zones (RA, Jan. 11, p. 10).

• **RESEARCH PROJECTS** planned by the ICC's Bureau of Transport Economics and Statistics include a study of the impact which the federal government's transport-promotional activities may have on regulatory responsibilities of the Commission and carriers under its jurisdiction. The bureau hopes to provide the Commission with information valuable for its regulatory work —and, perhaps, recommendations as to possible policy changes.

• **CONTINUANCE** of transport studies by the Senate Committee on Interstate and Foreign Commerce is now formally authorized. Nearly two months after the previous deadline (Jan. 31), the Senate adopted the continuing resolution—S.Res.244. It authorizes the committee to carry on its transportation studies until Jan. 31, 1961.

THIS IS THE SECOND EXTENSION, a 1958 resolution having originally authorized the studies. They include inquiries on ownership of one form of transport by another, user charges, the need for transport regulation under present conditions, federal policy on mergers, and the public need for rail passenger services. Like its predecessors, S.Res.244 also has the omnibus clause authorizing investigation of any other matter relating to federal regulation and promotional policies in the transport field.



NEW DIOL® RD 79 CRANKCASE OIL HELPS RUN DIESEL ENGINES CLEANER LONGER

See for yourself how clean-running new Diol RD 79 oil is! This piston, from an Electro-Motive diesel in a heavy-duty freight locomotive, has run 200,000 miles without overhaul using new Diol RD 79.

DIOL RD 79 is the latest development in the exceptional line of Diol diesel crankcase oils. It runs even cleaner than Diol RD 77 and 78 oils. The 200,000-mile piston above showed deposits on oil rings as little as half those of pistons run 100,000 miles in similar tests using a reference heavy-duty oil of higher than average quality.

DIOL RD 79 provides outstanding detergency . . . to reduce sediment build-up in sump lines and coolers; superior oxidation resistance as evidenced by minimum viscosity increase; 45% lower cylinder liner wear; prolonged silver bearing life. Diol RD 79 is non-corrosive to all engine bearing metals and provides reserve alkalinity to combat acids.

For more information or expert technical assistance, write: Esso Standard, Division of Humble Oil & Refining Company, 15 West 51st Street, New York 19, New York.

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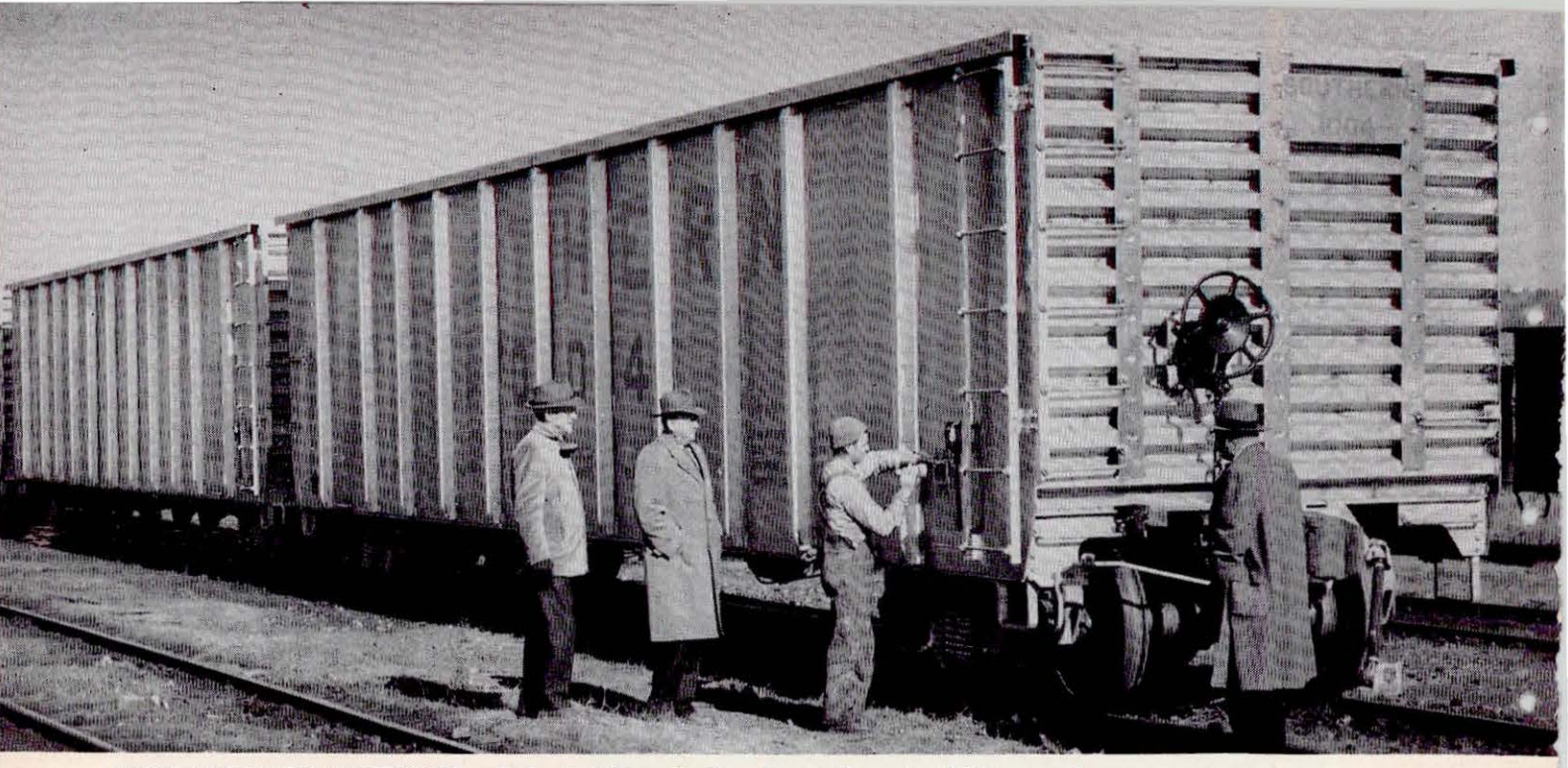


HIGH-CAPACITY GONDOLAS rolled off P-S production line at the rate of 16 cars a day.

Southern Gets Country's Largest

The largest order for aluminum freight cars ever placed in the U.S. was completed by Pullman-Standard last week.

The 750 100-ton gondola cars, built for the Southern at the P-S Birmingham, Ala., plant, cost $15,000,000. The order, plus another for 455 aluminum covered hopper cars soon to be completed by Magor Car Corporation, was placed last July in a precedent-breaking move (RA, July 13, 1959, p. 9). The covered hopper cars will cost $10,309,000.

Harry A. DeButts, Southern president, announcing the orders, said he expected them to "constitute a worthwhile breakthrough in the use of light-weight corrosion-resistant materials in car construction."

Previously, aluminum freight cars in the U.S. and Canada had been ordered only in relatively small lots, usually for experimental work or special services. Among owners of aluminum cars have been the Canadian National, Roberval & Saguenay, Baltimore & Ohio, and Rock Island. Aluminum components, however, such as doors, roofs, and linings, have been applied to box and refrigerator cars by several roads.

The gondolas are being assigned exclusively to on-line movements of coal for electric utility generating stations where rotary dumpers will be used for unloading. The cars have flat bottoms without hopper openings.

Three of the gondolas can carry 13 more tons of revenue freight with 43½ less gross tons in a train than four conventional 70-ton steel hoppers, preliminary Southern studies indicated. The increased investment of $7,500 in each gondola (based on a per car price of $20,000 vs the $12,500 price tag for a conventional 70-ton steel hopper), is expected to be returned at the rate of 32% per year "in the most unfavorable situation," up to 60%, a Southern spokesman said.

The cars were produced in one of the largest production line assembly operations in which structural aluminum has ever been involved. Pullman-Standard's Birmingham plant had no prior experience with the light weight metal. The Chicago plant of Pullman had built aluminum ore cars for Jamaica, B.W.I., and several aluminum passenger cars for U.S. service. Knowhow experience gained during the Chicago operations played a large part in establishing the Birmingham production line.

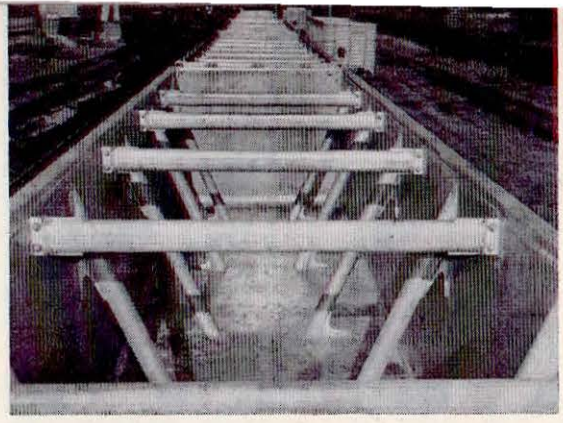
Changes had to be made in planning, in methods of fabrication, and in machinery and equipment. The large aluminum floor sheets, sides, and ends had to be kept as clean as possible before welding. The material was kept covered whenever possible during fabricating operations. Stainless-steel wire brushes were used to prepare surfaces to be joined by welding.

Carbody and underframe are all aluminum except for the center sill, steel parts welded to the center sill, and the brake system components. Average light weight of the completed car is 47,300 lb. Capacity is 3,620 cu ft; and load limit is 203,700 lb. Length over strikers is 49 ft 5 in., over-all width is 10 ft 4½ in., and extreme height above rail is 11 ft 7 in. Inside length of the body is 47 ft 8 in., and the inside width is 9 ft 6⅞ in.

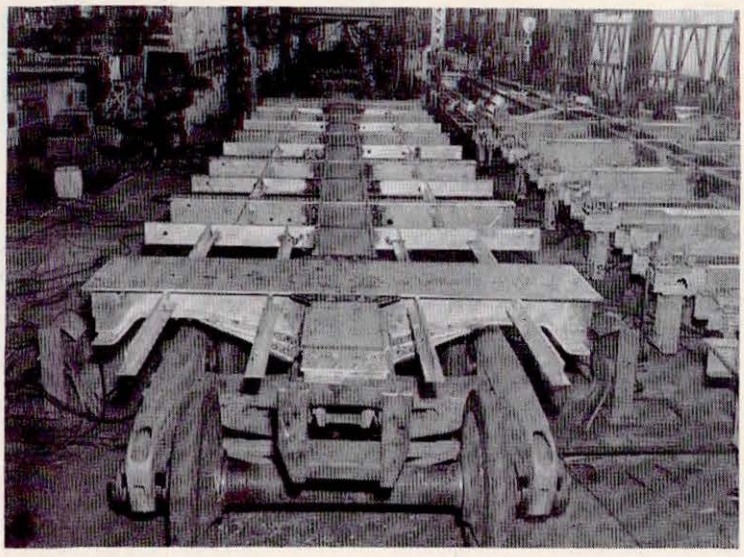
The light weight of the complete car makes it possible to use four-wheel trucks with 6½ by 12 in. journals and have a load limit of almost 102 tons. At the same time, this tare-to-loaded relationship makes it necessary to use empty-load brakes. The Westinghouse automatic empty-load equipment is installed with automatic slack adjuster, brake cylinder release valve, and Cobra brake shoes.

The Barber narrow-pedestal trucks are fitted with Timken roller bearings and Unit brake beams. Because of their high rail loadings, the cars have been equipped with 36-in. wheels, conforming with AAR recommendations. A pair of the complete trucks weighs 21,000 lb.

Approximately 15,000 lb of aluminum alloy plate and extrusions are used in the body of each car. The aluminum body bolsters and crossbearers are bolted and riveted to the center sill which is formed of two 51.2-lb steel



TUBULAR diagonal braces and transverse members are aluminum alloy, as is remainder of light weight carbody. Total of 15,000 lb of aluminum plate and extrusions went into each car.



UNDERFRAME was produced by bolting and riveting aluminum bolsters and crossbearers to steel center sill. Carbody is an all-welded structure composed of five major subassemblies.

Single Lot of Aluminum Cars

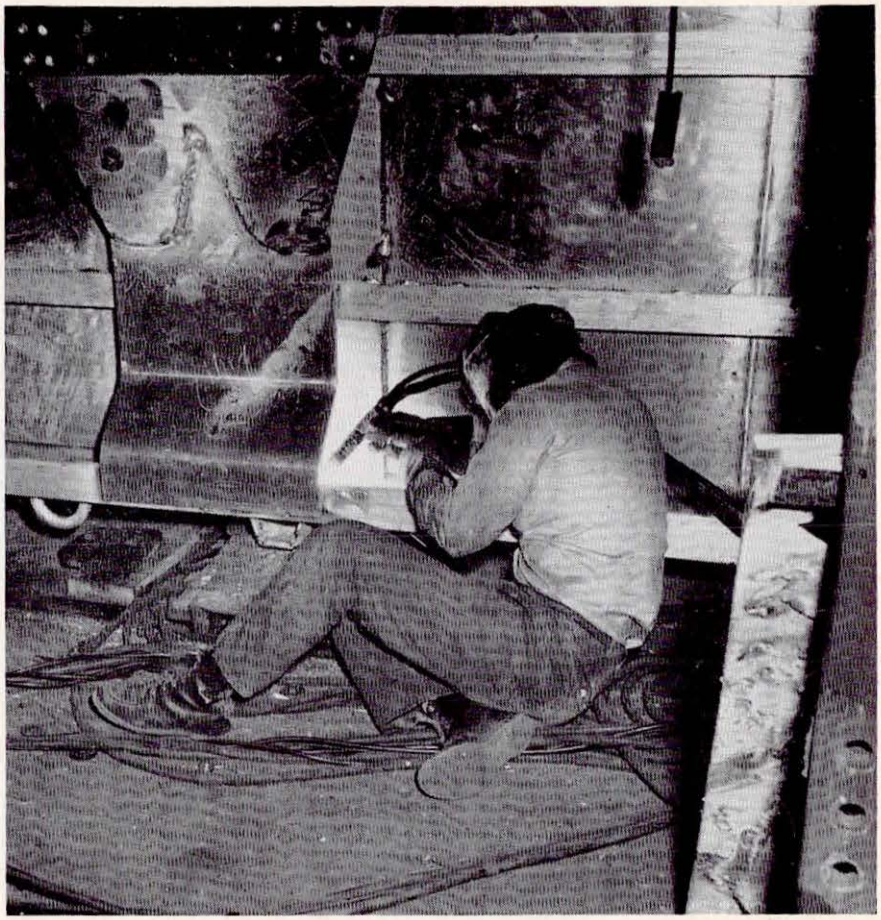
AAR Z sections. All of the aluminum body components are joined by welding. Assembly of each car required approximately 7 miles of welding wire.

Extrusions were bevel sawed instead of being flame cut or sheared. A new 1,500-ton press was obtained to form the floor and side sheets. A special lifting device equipped with vacuum cups was built to move these large sheets from one work location to another.

Over $300,000 was spent on welding equipment, which included 175 manual and 36 automatic units. The operation, according to a major welding supplier, "constituted the largest single welding project on aluminum at such concentrated rates in the U.S."

Welding was done with the gas-shielded metal-arc process. In this, a shield of argon, an inert gas, is used to protect the weld pool against atmospheric contamination during work on the aluminum sheets. A special welding machine with 13 Aircomatic heads was built to weld extrusions on the end sheets.

Heliarc cutting equipment was used to eliminate the need for expensive dies at one stage in another operation. Hand welding also played a big part in the assembly. Because welding with aluminum was unfamiliar to Pullman personnel at Birmingham, it was necessary to establish training programs for welders and supervisors.

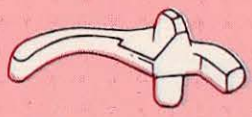


WELDING TECHNIQUES, new to Birmingham plant, required big training program. Much welding was done by automatic units.

Top Lock Lifter Assembly . . . Cat. No. E-6-A

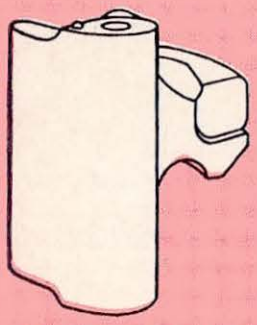
Top Lock Lifter Hole Cap Cat. No. E-2

Top Lock Lifter Hole Cap Cat. No. E-2-A

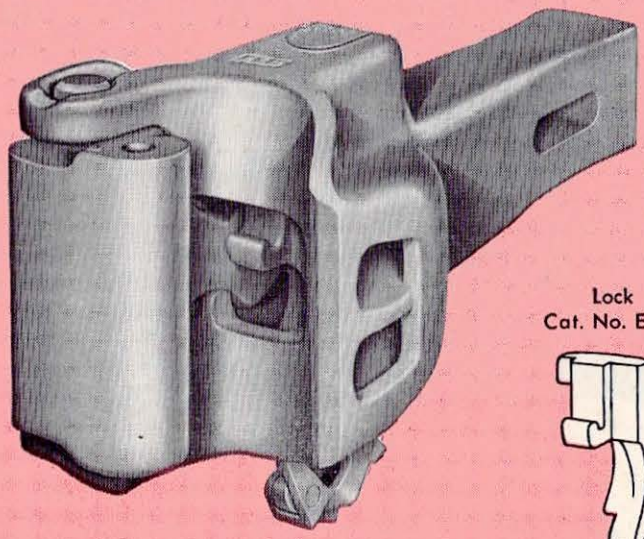


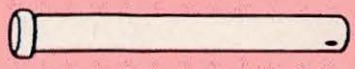
Knuckle Thrower...Cat. No. E-30

Articulated Rotary Locklift assembly
Single . . . Cat. No. E-24-B
Double . . . Cat. No. E-25-B



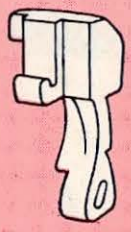
Knuckle . . . Cat. No. E-50





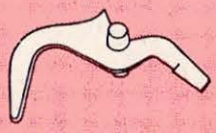
Knuckle Pivot . . . Cat. No. C-10

Lock Cat. No. E-40

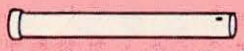


AAR Standard
Type E
Coupler Parts

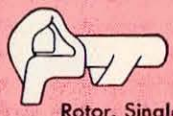
New Youth for



Knuckle Thrower Cat. No. F-31

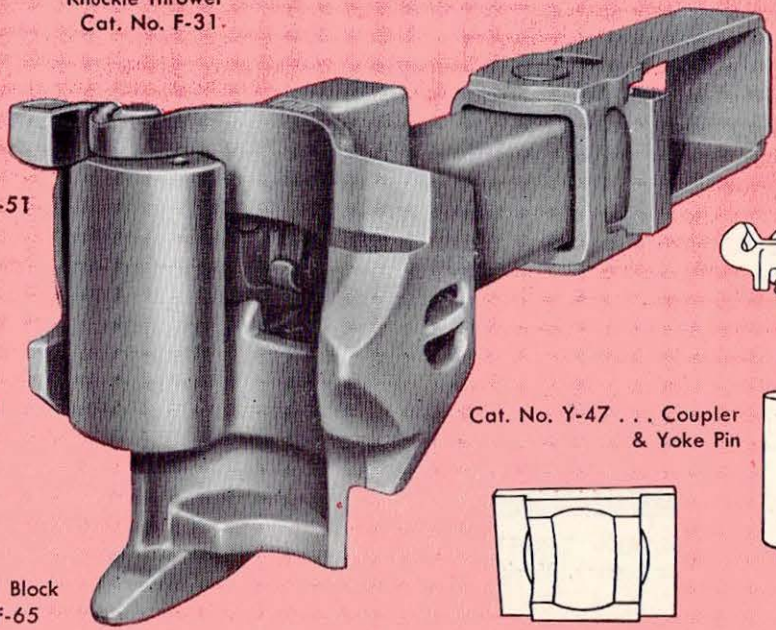


Knuckle Pivot . . . Cat. No. C-10



Rotor, Single Cat. No. F-8

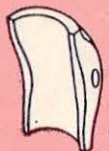
Knuckle . . . Cat. No. F-51



Rotary Lock Lift Assembly Cat. No. F-7 AND Rotor F-8 Assembled.

Rotary Lock Lift Assembly Cat. No. F-7

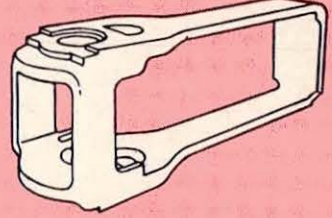
Lock . . . Cat. No. F-41



Pin Bearing Block Cat. No. F-65 and Spring No. F-66

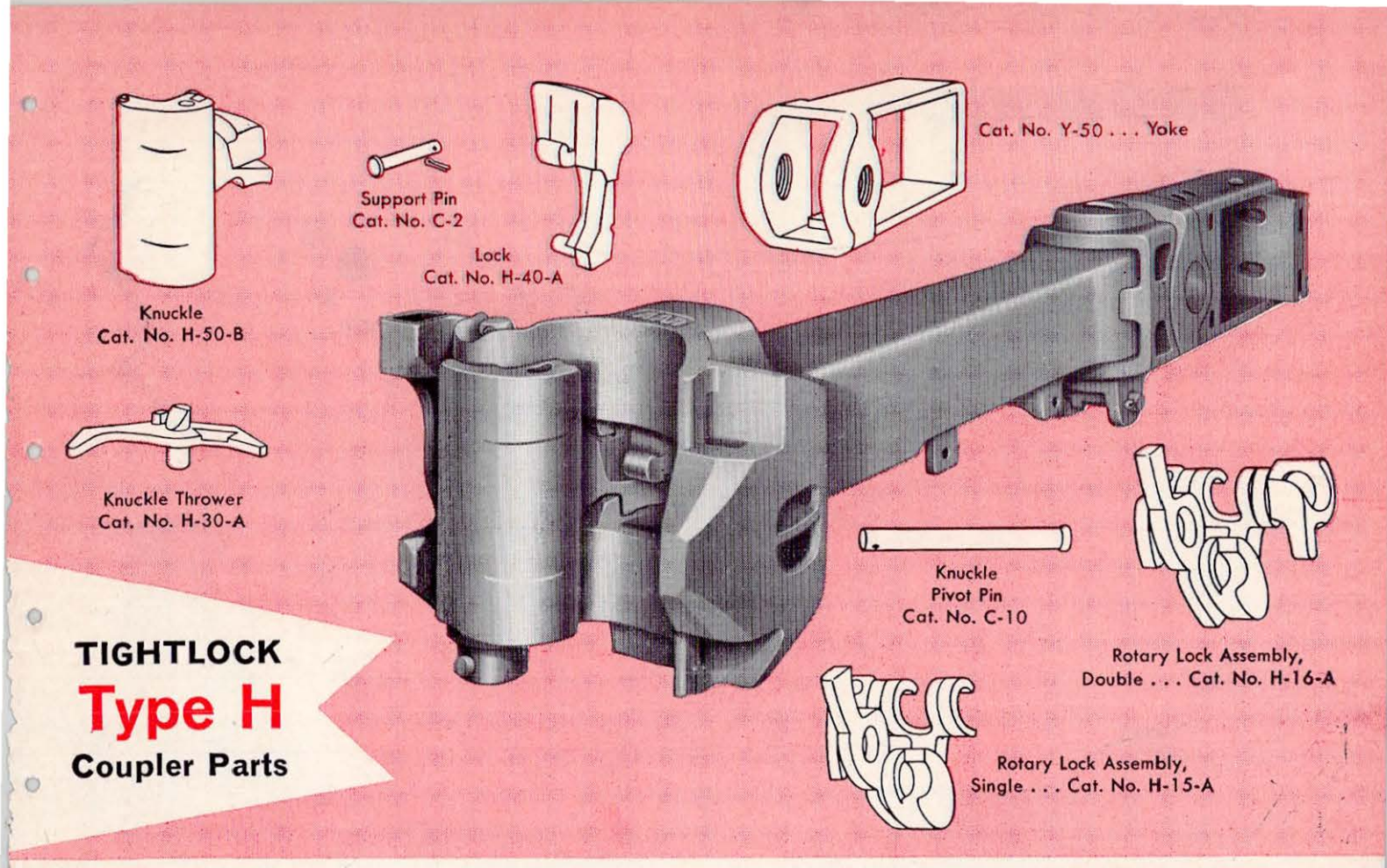
Cat. No. Y-47 . . . Coupler & Yoke Pin

Cat. No. Y-46 . . . Follower



Cat. No. Y-45 . . . Yoke

AAR Standard
Type F
Coupler Parts



TIGHTLOCK
Type H
Coupler Parts

Aging Couplers

with the toughest repair parts made!

When couplers need rebuilding or repairs, remember . . . Only ASF makes ALL types of AAR approved coupler designs. Whatever your requirements, therefore, you can be sure they will be promptly and completely satisfied. What's more, ASF parts are not only the toughest, most durable made but they are guaranteed to be original replacement parts, precise in every minute detail of shape and dimension.

So, when you rebuild with ASF parts, the finished product is, for all practical purposes, a brand new coupler. To serve you promptly, too, we maintain a large inventory of coupler parts ready for immediate shipment. So, any time you need coupler-parts, call in your ASF representative. Get the toughest repair parts made!

ASF PARTS FULLY SATISFY AAR TEST SPECIFICATIONS

ASF **Couplers**

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Canadian Manufacturer and Licensee: International Equipment Co., Ltd., Montreal 1, Quebec
Other Foreign Sales: American Steel Foundries, International, S.A., Chicago

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P R I
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GROWING, GROWING

MEMBERS
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Baltimore & Ohio
Boston & Maine
Burlington
Chesapeake & Ohio
Chicago & North Western
Cotton Belt
Frisco
Gulf, Mobile and Ohio
Illinois Central
Kansas City Southern
Louisville & Nashville
Milwaukee
Missouri-Kansas-Texas
Missouri Pacific
Nickel Plate
Norfolk & Western
Pennsylvania
R. F. & P.
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Texas and Pacific
Union Pacific
United States Freight
Wabash
Western Pacific

All for one—and one for all!

TRAILER TRAIN

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FASTER THAN EVER . . .

TRAILER TRAIN PIGGYBACK

. . . the trains that team with trucks

In March, 1956, Trailer Train Company consisted of only two member railroads. Today it numbers 24—plus one freight forwarder. And its member-owners carry more than half of all U.S. piggyback traffic!

To keep pace with this growth, Trailer Train doubled its pool of modern piggyback cars in '58, added still more in '59. As of April 1—3,300 cars were in operation with 800 more on order! Cars are averaging 200 miles a day.

The king-size, standardized flat cars are capable of carrying two 40-foot trailers. They are obtained as needed. In this way, member railroads are not saddled with too much piggyback equipment. Idle cars are simply returned to the pool.

Rates are standardized for greater convenience. Car leasing is based on a per diem fee, in combination with a variable mileage charge. All benefits accrue to the members.

These are some of the advantages that have fostered Trailer Train's startling growth. In turn, Trailer Train spurs prosperous piggyback growth for all its members.

EJ&E JOB CHART is being discussed by (left to right), E. G. Slocum, assistant to president—management services; F. A. Fitzpatrick, vice president; and F. T. Brandt, manager—purchases and stores.

'J' Salary Plan Controls Costs

► **The Story at a Glance: The Elgin, Joliet & Eastern is finding that its salary administration program provides excellent incentive for individual performance. The program also provides better control of salary expense.**

The program has given the J a salary structure that helps to recruit, develop and retain good management talent.

Rigid salaries by positions were abolished and replaced by more flexible salary spreads for job classifications. Merit increases within a prescribed range permit recognition of superior performance.

Salary administration is paying dividends on the Elgin, Joliet & Eastern since a single-salary system for supervisory personnel was replaced by a systematic compensation program.

The scientific salary administration plan was put into effect in July 1957. T. D. Beven, EJ&E president, said the four major objectives of the program were:

- To establish and maintain an equitable salary relationship between all management positions.
- To provide fair and equitable compensation for all management positions.
- To establish a means by which above-standard performance would be recognized and rewarded.
- To provide a means by which salary expense would be controlled.

Responsibility for carrying out the ambitious program rested with E. G. Slocum, assistant to president—management services.

"The plan has achieved equity of compensation among all management positions," says Mr. Slocum. "Under the old system, the only reward for above-standard performance was promotion. Now merit increases in salary let our supervision know that performance pays off."

Here's how salary administration works on the J:

Fifteen salary classes, or levels, blanket some 315 management positions. All exempt or non-contract positions are covered, except a few secretarial jobs and six top management spots.

Each job covered by the plan is provided with a minimum and maximum salary figure. Progression may be periodic, but it depends upon accomplishment. Within each grade, allowance is made for a 45% spread from minimum to maximum. A "position description" fixes responsibility and authority for each employee.

A committee of EJ&E officers was formed to put the salary plan into operation. All jobs for which position descriptions had been prepared were reviewed by this committee. The committee slotted all jobs within the plan into one or the other of the 15 salary classifications.

Maintenance of position descriptions is the responsibility of each department head. Provision is made for semiannual review of the descriptions. Revisions and new descriptions must be referred to the assistant to president-management services. In this position, Mr. Slocum determines the proper classification for each new or revised position.

Department heads recommending merit increases must justify them by performance results.

Provision is made for salary increases due to promotion or upgrading, and for reductions in salary due to demotion, transfer or downgrading. The program assures equitable compensation and prompt action on all salary changes.

Normal merit increases permit advancement from minimum to median rates within each class. "Advancement from median to maximum rates within a given range," Mr. Slocum comments, "is a result of exceptional performance."

Wholesale adjustments of salaries were not necessary to implement the salary plan. In no case did an employee receive a cut in salary due solely to installation of the program.

When the J first applied science to salary administration it found 17.8% of management positions were receiving compensation below or above the salary range of the various classifications. Today, all but 6% of participating positions have been brought within the proper range.

(*Continued on page 37*)

To Cut L&D—'Motivate Men'

► **The Story at a Glance: Greater emphasis on the human element is the way to reduce the railroads' 1959 freight claim bill of more than $115 million.**

With remarkable unanimity, speakers at the seventh annual business session of the AAR's Freight Loss & Damage Prevention Section stressed the necessity of educating and motivating the men who handle freight—and of "following through, down to the last man" on claim causes.

"In spite of technological developments, freight loss and damage is getting more serious. We've got to get down to people with the necessary impetus and leadership coming right from top management."

Railroad claim men and shippers, meeting at New York March 30-31 on the keynote theme, "Prevention is Powered by People," heard that from J. R. Sullivan, traffic vice president of the Minneapolis & St. Louis.

They heard it echoed by E. D. Lackey, public relations manager of the Carborundum Co.: "Railroad employees must be motivated by economic self-interest to help cut claims—to put their heads and their hearts as well as their hands and their backs into the job."

They heard it echoed, too, by E. A. Ovens, dean of the Academy of Advanced Traffic, New York, who urged "motivation and education on all levels —executive, supervisory, and operating." Educational programs, Mr. Ovens declared, must be directed toward specific objectives, sufficiently limited to be actually attainable. They must be based on all possible information prepared by experienced people; and given to employees who can benefit.

Shipper speakers also emphasized the part to be played by individuals in cutting loss and damage. "There's too much callousness," said W. C. Cole, general traffic manager of Georgia-Pacific Corp. and president, National Association of Shippers Advisory Boards. "We tend to look on L&D too much as something we've always had and always will have. Even if that is true, it can be substantially reduced. There is a tremendous opportunity on any claim to get to the bottom of the situation by following through, down to the last man if necessary, until it is corrected."

Mr. Cole's views were supported by W. H. Ott, traffic manager of Kraft Foods and president, National Industrial Traffic League. "The attitude of people who are doing the actual work is much too lackadaisical. We try to pinpoint situations where claims occur, but we find it hard to get reactions on load conditions even from our own consignees."

Another shipper exponent of the "follow-up" idea—and critic of "lackadaisical attitudes"—was P. G. Jefferson, general traffic manager, Fairbanks Morse Co., and chairman of NASAB's National Freight Loss & Damage Committee. "Too many shippers," Mr. Jefferson said, "still prefer to file claims instead of going to the trouble of getting at the causes. Too many carriers are still afraid to step on shippers' toes."

Legislation providing more liberal depreciation allowances would help cut claims by permitting railroads to buy more modern equipment, C. D. Buford, AAR vice president, operations and maintenance, said. Authorization of construction reserve funds would also help, he added.

In a separate luncheon address, A. E. Perlman, president, New York Central, entered a plea for diversification. "We will not have a healthy transportation industry unless public policies are so changed as to permit integrated transportation companies which can manufacture ton-miles and passenger-miles in any manner that will best serve the customers' needs."

ICC OK's Big Trucker Expansion

A coast-to-coast motor carrier system is expected to result from Interstate Commerce Commission approval of applications of Consolidated Freightways of Menlo Park, Calif., to control two large eastern truckers.

At the same time the Commission denied applications of Consolidated for authority to control three other eastern motor carriers. If the approved transactions are consummated, Consolidated's system would be the largest in the U. S. both as to gross revenues and territory.

The two truckers which the Commission authorized Consolidated to acquire are: Motor Cargo of Akron, Ohio, which operates generally from the Twin Cities, Des Moines, Chicago and St. Louis east to Washington, Baltimore, Philadelphia and New York; and Liberty Motor Freight Lines of Secaucus, N. J., which operates from Chicago and St. Louis east to Philadelphia, New York and Boston.

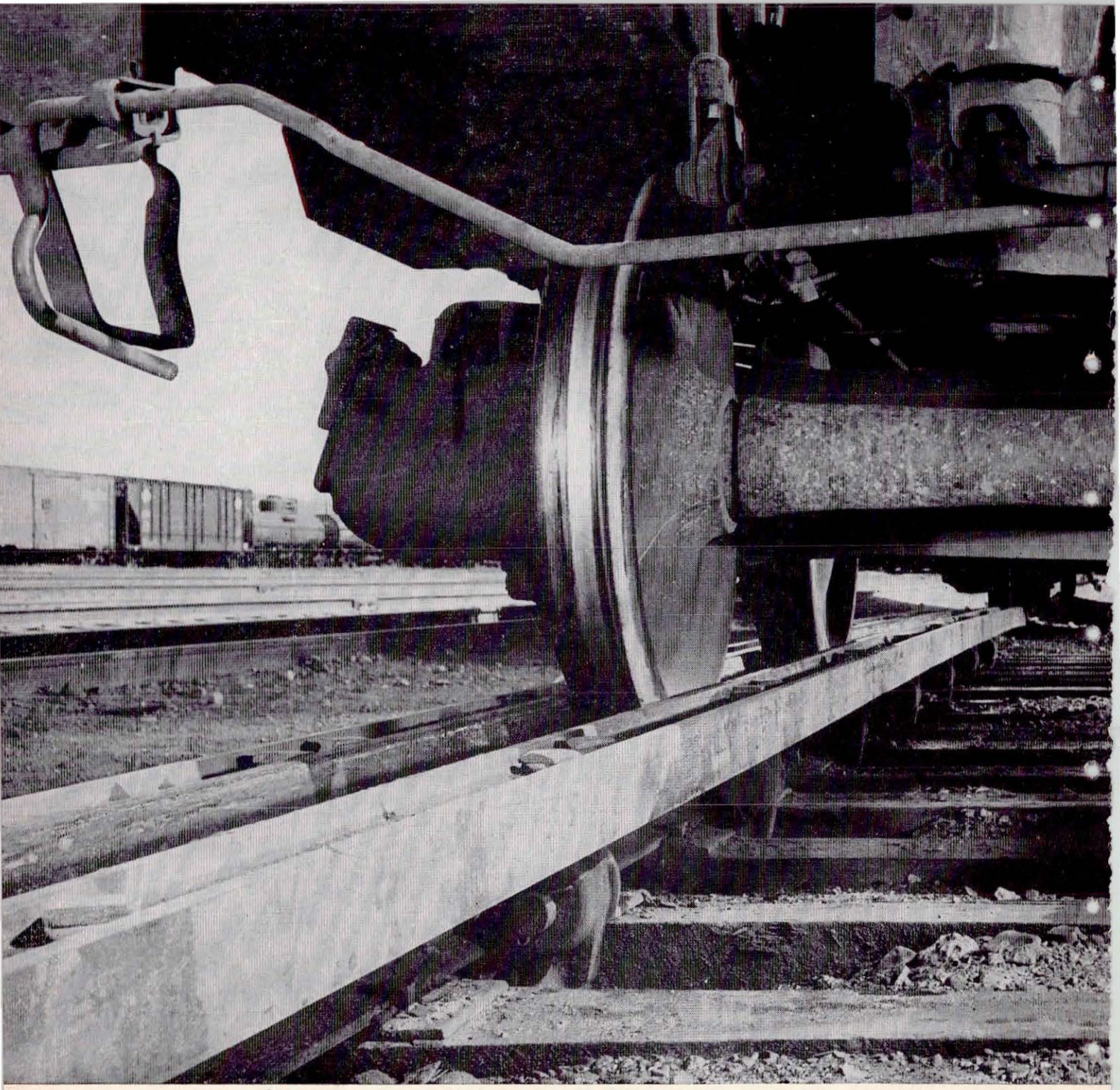
In the applications which were denied Consolidated sought to control Silver Fleet Motor Express of Louisville, Ky., Bell Lines of Charleston, W. Va., and Rutherford Freight Lines of Bristol, Va. These operate various routes in the area from the Carolinas to New England.

The applications of Consolidated were opposed by various railroads, some motor carriers, and the Department of Justice, but supported by several shippers and a number of truckers.

"In the light of all the evidence," the Commision said, "we find that Consolidated would not achieve a monopoly between any points; that such limited restraint of competition as would result would not adversely affect the public interest; that adequate motor carrier competition would remain between all points served; and that the large size, territorial coverage, and financial strength of Consolidated would not nesessarily permit it to achieve such a dominant position in the motor carrier industry as to affect adversely competing or connecting carriers.

"The preservation of the inherent advantages of the railroad industry does not require that we adopt a policy which would tend to freeze the motor carrier industry at its present level. The evidence submitted by the railroads, while it justifies a finding that the service provided by them is essential to a sound national transportation economy, does not preclude the conclusion that larger motor carrier systems should also have a place in the transportation system."

As to railroad opposition to the proposed acquisitions, President J. L. S. Snead, Jr., of Consolidated recently told Railway Age that such opposition was "couched in the framework of fear of losing carload traffic transcontinentally." To Mr. Snead this seemed "a rather unrealistic fear with our costs two and one-half times theirs." (RA, Feb. 29, p. 9.)



The Racor Mechanical Car Retarder applies braking force to both sides of every car wheel that

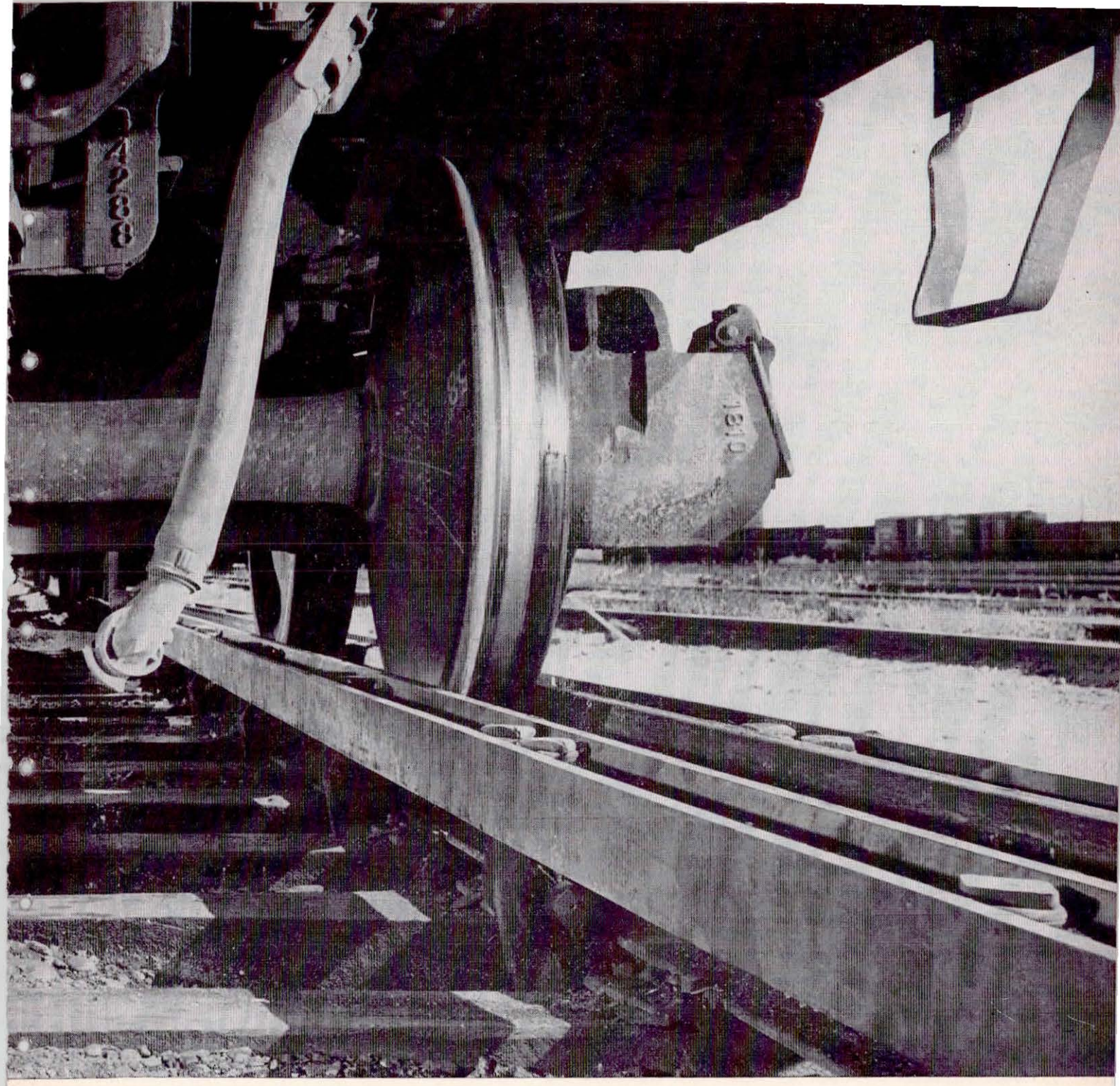
No skates needed here!

NEW RACOR® MECHANICAL CAR RETARDER* IS COMPLETELY AUTOMATIC!

**(Patent Applied For)*

No skates or skate men are needed in gravity classification yards with this new Racor Mechanical Car Retarder at the end of each track! The consequent reduction in operating expense will amortize the cost of the retarders in a short time. Still further savings accrue from reduced damage to lading through absorption of impact as cars come together.

The Racor Mechanical Car Retarder has been designed to bring rolling cars to a stop at the end of gravity classification yard track and to resist their further movement by the impact of succeeding cars. The



enters it. Once adjusted, it needs no further attention—operation is completely automatic.

retarder consists of spring loaded rails which apply retarding force simultaneously to both rim and flange of each pair of wheels. It applies opposing forces in such a way as to eliminate the possibility of derailment. Retarding action is entirely mechanical, and no difficulty is encountered in moving either the cars or the locomotive through the retarder when the track is being "pulled".

Your American Brake Shoe representative will be glad to make a study of the operation of *your* yard in order to determine the savings that can be derived from the installation of Racor Mechanical Car Retarders. American Brake Shoe Company, Railroad Products Division, 530 Fifth Avenue, New York 36, N. Y.

A-5962

AMERICAN
Brake Shoe
COMPANY

In Canada: Dominion Brake Shoe Company, Ltd.

Quality products cut your ton-mile costs

RAILWAY PROGRESS INSTITUTE MEMBER

Second-Quarter Traffic Forecast

What's ahead for the railroads during the next three months? Here's the picture as J. W. Milliken, director of research for the Simmons-Boardman Publishing Corp., sees it:

Carloadings during the second quarter of 1960 should total about 8,800,000. This represents an increase of about 1% over loadings in the corresponding period last year. If this forecast should prove to be reasonably accurate, it will mean that the second quarter will have been a very disappointing one for many railroads.

It is possible, of course, that our estimate of the business situation could be somewhat on the bearish side. Homebuilding could pick up a little faster in the second quarter than we now anticipate that it will. There are some signs that the tight money market may be loosening up a bit. This would mean that forest products and many miscellaneous items would move in volume greater than now seems likely. However, presently any real increase in the rate of housing starts seems destined to occur, if at all, in the third quarter. Grain movement, too, is unlikely to be any heavier in the second quarter this year than it was in 1959 —but nature, and the federal government, could change this picture somewhat. Automobile sales could take that spring spurt the automobile manufacturers have been ever-so-hopefully forecasting.

Almost all of the increase in carloadings from the second quarter of last year should occur in the group shown in the AAR breakdown as "miscellaneous." There may be some increase in coal, coke, grain and LCL loadings, but they probably will be minor indeed. Many consumer products seem still to be moving well in spite of what most people regard as disappointing levels of the moving of industrial products. Here, undoubtedly, piggyback is helping somewhat to make the picture relatively favorable.

Piggyback, incidentally, continues to climb. Loadings of piggyback cars during the first two months of the year were running about 46% ahead of those during the same period in 1959. This is favorable indeed, and is close to the 50% increase forecast by Railway Age. Piggyback loadings finally have broken first through the 10,000 and then the 11,000 per week barriers and have stayed about the 10,000 level for the last seven weeks reported. It seems entirely probable, therefore, that something above the 10,000 per week figure will continue to be the rate for the next several months.

It still is a little early to say with any degree of confidence just what happened to railroad purchases during the first quarter. Preliminary figures, based on reports from a number of roads, seem to indicate that in January, at least, purchases were up slightly from the year earlier totals, as well as from the December rate. Nevertheless, it now would appear that our earlier estimates of railroad purchases for 1960 were, like our carloadings forecasts, somewhat on the high side. Instead of reaching $3.2 billion as we anticipated earlier, a buying figure of $2.7 billion is more reasonable.

Once carloading figures for the entire first quarter are in, the total probably will turn out to be about 7.6 million. This is far below our January forecast of 9 million. Severe and prolonged winter weather suffered throughout much of the country obviously played a part in reducing industrial activity. Steel, automobiles and automobile parts, construction materials, grain and coal in particular, moved in somewhat smaller volumes than had been anticipated.

Polaris Missile Takes to the Rails

The New York Central, with the help of its Technical Research Center at Cleveland, has plucked some high-rated traffic out of the air.

The traffic: Polaris missiles.

Shipping method: an air flotation protection technique developed by NYC researchers and successfully tested under "purposefully gruelling" conditions.

One big result: tremendous savings to taxpayers, since the Polaris will move by rail at a fraction of the cost that it can move by air.

Official announcement of the new technique is being made only this week (following execution of a contract between the railroad and the Navy) although the tests began nearly a year ago (RA, June 29, 1959, p. 7).

For test purposes, a highly-instrumented dummy Polaris rode in a temperature and humidity controlled Flexi-Van from Sunnyvale, Calif., to the Atlantic missile range at Cape Canaveral, Fla. The instruments and the dummy missile were then returned to Sunnyvale.

During the 3,300-mile journey, instruments measured and recorded every shock received by the missile. Back in Sunnyvale, the recording instruments showed "not one indication that the missile had sustained even the slightest maltreatment or damage."

The reason for this was that the missile carrier, while in the Flexi-Van, literally floats on air, supported laterally and longitudinally by large, air-filled, shock-absorbing rubberized pillows.

The Navy agreed to the test following a demonstration of the technique in Cleveland for high-ranking missile authorities.

The standard Flexi-Van used in the test provided automatic temperature control—necessary if missiles are to be ready for firing immediately upon arrival at destination. The Flexi-Van system provided for shipment of the first and second stage motors in one van. The exterior of the Polaris motors form the shell of the missiles. Upon arrival at destination, motors are fastened together to form a complete propulsion system. The warheads and guidance systems are installed after arrival at the destination, insuring complete safety during transit.

Dividends Declared

ATLANTIC COAST LINE.—5% non-cumulative preferred, $2.50, semiannual, payable May 10 to holders of record April 25.

NORFOLK & WESTERN.—4% adjustment preferred, 25¢, quarterly, payable May 10 to holders of record April 21.

NORTHERN PACIFIC.—55¢, quarterly, payable April 29 to holders of record April 8.

VERMONT & MASSACHUSETTS.—$3, semiannual, payable April 7 to holders of record March 28.

WHEELING & LAKE ERIE.—common, $1.43¾, quarterly; 4% prior lien, $1, quarterly both payable May 2 to holders of record April 8.

Railroads are making the "Big Switch"

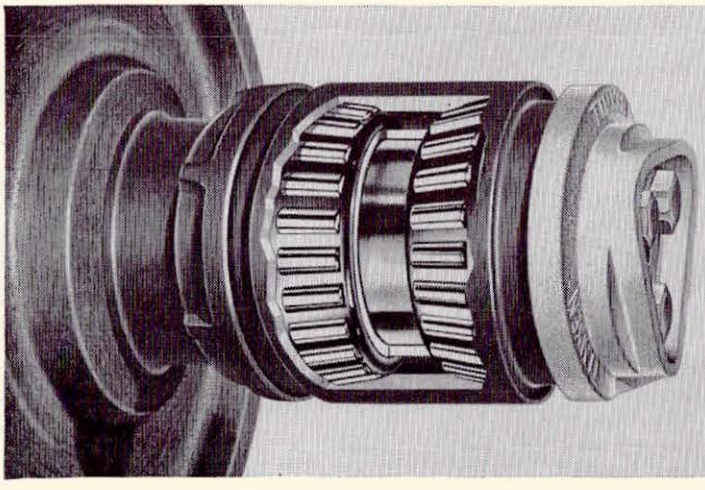
To solve the hot box problem

Now, 93 railroads and other freight car owners are on their way toward eliminating the hot box problem. They've joined the big switch to "Roller Freight" by putting cars on Timken® *tapered* roller bearings. The number of railroads going "Roller Freight" on Timken bearings is up from 79 in 1958, 52 in 1957. And by the end of 1959, there were 53,270 Timken bearing equipped cars in service or on order.

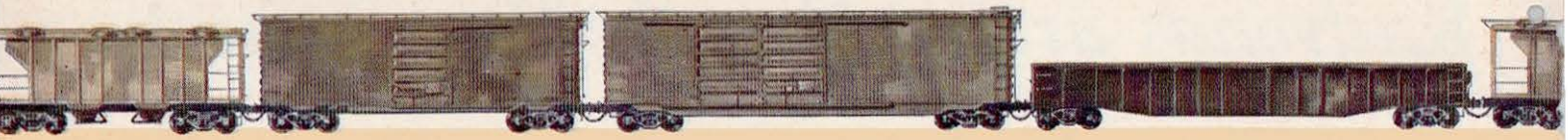
Railroads are getting many more trouble-free miles because Timken Heavy Duty-High Mileage "AP" bearings solve the hot box problem. They *roll* the load, don't slide it as friction bearings do. In acutal service Timken "AP" bearings are averaging 110,000,000 car miles without overheated bearings.

To meet the ever growing demand for Timken Heavy Duty bearings we're increasing the capacity of our Columbus, Ohio, railroad plant to 40,000 car sets annually.

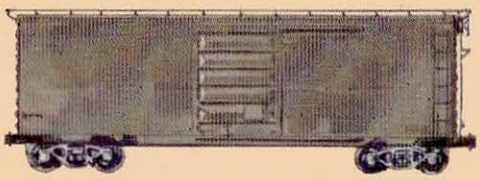
Switch to "Roller Freight". Timken Heavy Duty-High Mileage "AP" bearings are available for all sizes of standard axles and Class G 7 x 14. Timken bearings will save the railroads an estimated $144 per car annually when all freight is "Roller Freight". And *now* is the time to switch to "Roller Freight" —for new cars or conversions—for high mileage, trouble-free service, increased profits. The Timken Roller Bearing Company, Canton 6, Ohio. Cable: "TIMROSCO".



heavy duty TIMKEN®
tapered roller bearings

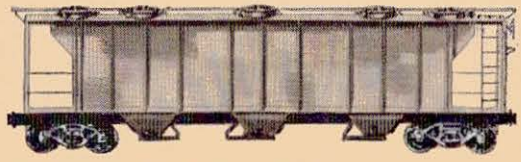


PS-1 BOX CAR



The pioneer of freight car standardization, Many of the PS-1 original, exclusive and standard features have now become standards for the industry. Constant new improvements in construction and versatility keep it the leader in its field.

PS-2 COVERED HOPPER CAR

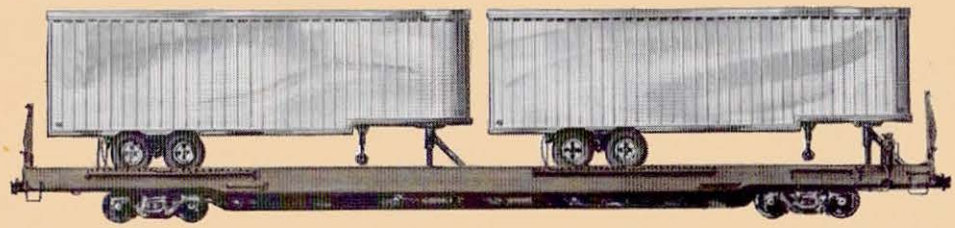


Flexible standardization at its best with such new features as eleven-inch clearance at outlet gates, varied and increased capacities . . . built-in railroad and shipper advantages from rail to roof.

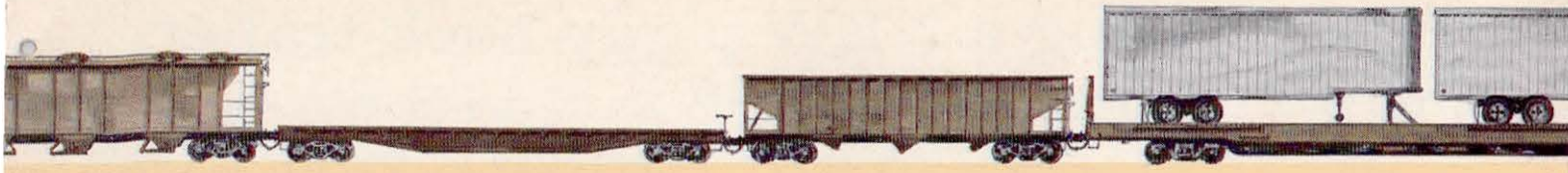
PS-5 GONDOLA

Typifies P-S flexible standardization. PS-5 combines the economy and quality of standardization with sufficient design versatility to meet the varied but consistently rugged use requirements of gondolas.

PS-4PB PIGGYBACK CAR



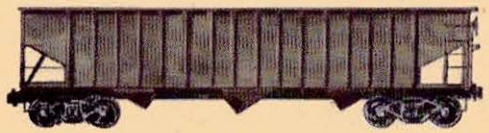
85' long and all stamina! New unitized construction joins underframe and body members into a single, strong, all-welded structure for high-tonnage, high-revenue hauling. In the last 18 months Pullman-Standard has built or received orders for 2400 eighty-five foot PS4-PBs, the largest number of piggyback cars of any one type produced by any carbuilder.



P-S FULL LINE STANDARDIZATION

to meet the transportation challenge of the '60s

PS-3
OPEN HOPPER CAR



Built to meet the prime requirement of hopper cars—tremendous durability. The PS-3 shoulders relentless punishment from shakeout machines, clam shells, and turn-over dumpers. All-welded construction and extra strength where it counts result in longer low maintenance life.

There are opportunity years just ahead, stemming from our abundance of youth . . . new population, new industries, new shippers. These years will follow one of the most progressive periods in railroad history, which Pullman-Standard saw as its first full decade of standardized freight car production.

Now the railroads will meet the challenge of the 'sixties—develop even faster, better, cheaper, more automated transportation, and more of it! Against this challenge, Pullman-Standard puts standardized rolling stock—now a full line coming out of the proving grounds of the 'fifties.

Each car of the P-S line is a tested, proved and capable product. Each car has its own success story . . . the result of exhaustive design research, fact digging, laboratory and service proving, plus scores of improvements and refinements . . . more than 270 in the PS-1 box car alone since its inception in 1946. Nearly 130,000 P-S standardized freight cars attest to the success of the standardization concept.

Scores of railroads and other users in the 'fifties have sampled the results: freight cars, parts, lading protection devices and specialties of unprecedented durability, economy and versatility. Now count on the new, full, perfected, P-S line to help you meet the challenge of the 'sixties—profitably!

GET THESE TWO BOOKLETS—One puts the full line of standardized freight cars, lading protection devices, specialties and parts in your hands for fingertip reference. The other tells how the full standardized P-S line is available to equip you to meet the full challenge of the 'sixties. Ask your P-S representative, or write for these two informative booklets.

PULLMAN-STANDARD

A DIVISION OF PULLMAN INCORPORATED
200 SOUTH MICHIGAN AVENUE, CHICAGO 4, ILLINOIS
BIRMINGHAM, PITTSBURGH, NEW YORK
J. C. Fennelly Company, San Francisco Representative

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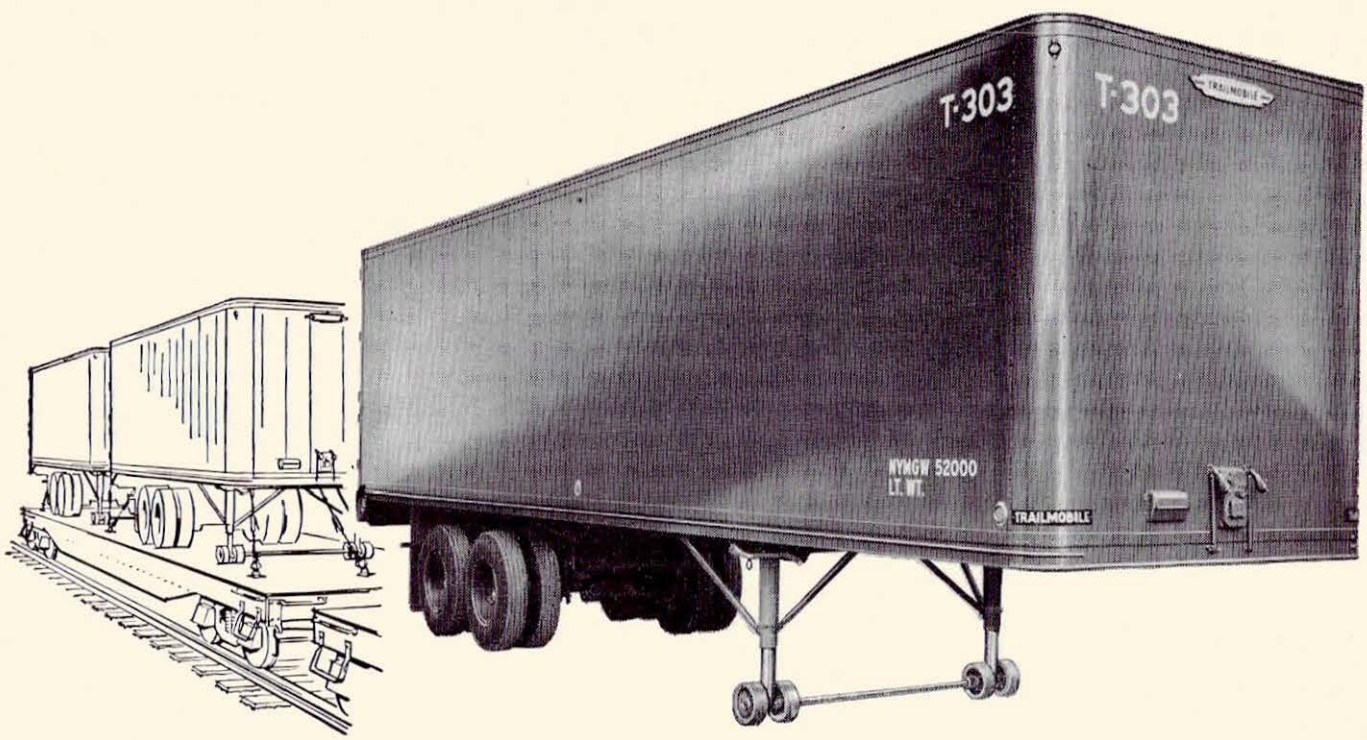
MEMBER

announcing a NEW piggy-back trailer... the Trailmobile PB-68

Here is a new Trailmobile especially designed for punishing piggy-back service. Featuring Trailmobile's famous Integral Post construction, it is ideally suited to withstand the impacts of normal rail car coupling and the rigors of heavy cargos and city shuttling. And, this extra durability means low maintenance costs and continued good appearance throughout years of profitable service. ■ Despite its great strength, the PB-68 is extremely lightweight... lighter, in fact, than some aluminum units. And its big cargo space means maximum payloads on every trip. ■ The PB-68 is just one of the many design possibilities offered by Trailmobile's CID* concept, which lets you match trailer to your operating conditions. Call your nearest Trailmobile office for full details. **Customer Individualized Design*



TRAILMOBILE INC.

TR-792

Cincinnati 9, Ohio • Springfield, Missouri • Longview, Texas • Berkeley 10, California

A SUBSIDIARY OF PULLMAN INCORPORATED

BAR: Non-Transport Diversification?

The Bangor & Aroostook, a small but ambitious eastern road, is giving a new twist to a familiar railroad term—"diversification." The 602-mile BAR disclosed plans last week to diversify into non-transport fields.

The road hopes to do this through a corporate reorganization. A holding company would be created, with the railroad as its principal subsidiary. It is management's belief that such a company could more easily branch out into other fields of business than a railroad.

So far, the company says it has no very good idea as to what kind of businesses it might seek to acquire. They will, however, be non-transport companies, since the laws that now prevent railroads from acquiring other modes of transport would apply equally to the holding company.

But another factor that bars many railroads from widespread diversification isn't viewed as a major threat by the BAR. This factor is the Commodities Clause of the Interstate Commerce Act. For over 50 years, it has prohibited railroads from carrying commodities in which they have an interest, except forest products.

BAR is not, at least for the moment, concerned about this because, as one spokesman put it, "We're a small road, and any diversification we attempt probably won't be confined to our railroad territory. In fact, it will very likely be outside of our territory."

If approved by shareholders, the reorganization will be accomplished through an exchange of stock. The next step will be the creation of an executive committee to seek suitable acquisitions, probably with the guidance of an outside corporate expert.

Why diversify? "We want to broaden our base of earnings," says the spokesman. "To do so, we've got to be something more than a railroad."

Railroading After Hours with Jim Lyne

LOYAL FIREMEN—I have a note from a locomotive fireman—who thinks I'd probably be surprised to know Railway Age is the only magazine he reads faithfully, considering all the "downgrading statements" printed about the fireman's occupation. This fireman is a loyal railroader. He wants to see the industry get a fair deal politically, and he believes we're doing a good job for the industry.

I don't believe there are many railroad people who look down on firemen. I know I certainly do not. On the contrary, I would suspect that among them we have as capable a group of railroaders as can be found anywhere in the industry. But respect for firemen's knowledge and loyalty doesn't answer the problem of how an industry, as hard pressed as the railroads are, can afford to pay for 3 men in a cab when 2 are plenty. The blacksmiths didn't insist on staying in the horse shoeing trade when the auto supplanted old Dobbin. And what became of the boilermakers? As far as I have heard, none of them has starved.

PR AND PERSONNEL—Combining the public relations and personnel departments by the Pennsylvania introduces something of a novelty in the organization-chart position of this important function. To be sure, on the T&P the direction of employee and public relations is a joint responsibility of Mr. Jim Shores.

On a couple of major railroads—SP and C&O—the passenger and public relations departments have functioned jointly, and apparently to the satisfaction of management.

There certainly is variety in the railroads' handling of public relations—no two companies apparently having exactly the same plan for the department. On one aspect only does there seem to be general agreement: that is that the job is one of vital importance.

ENTHUSIASTS FOR TRANSIT — There seems to be springing up all over the country a growing clan of rail-transit supporters (i.e. opponents of leaving all urban transportation to the highways). For example, I have before me a pamphlet reporting a speech by J. Howard Arnold of Berkeley, Cal. (identified as director, Alameda-Contra Costa Transit District), which is as strong a statement in behalf of rail transit as I have ever seen.

I know nothing about Mr. Arnold except what is revealed by reading his pamphlet. It is, nevertheless, significant that we now have articulate people such as he in all our metropolitan areas, who understand the close relationship between adequate transit and the survival of big cities. Mr. Arnold is more than a little rugged in his criticism of automotive and allied interests, and others whom he suspects as having too much enthusiasm for urban highway development.

This transit business, instead of shrinking, has at least a chance of great growth. I know of one system that, one of these days, may order so many cars that nobody would believe me if I'd say how many.

WHAT TOLLS SHOULD BE—The Japanese Railways are using some sense in taking their railways into account in planning highway development. In a heavy traffic area between Tokyo and Kobe a modern "expressway" is to be built and tolls will be levied on a basis of "75% of what users will save by using the road." In this country, we give highway users facilities for a nominal charge, for which they could pay handsomely and still be ahead of the game.

This new highway is going into the same area in Japan where an all-new high-speed railroad is being built, but government authorities do not expect the highway is going to offer serious competition for its railways.

The British Transport Review (Dec. 1959 issue) reports on this development and reveals that long-haul highways in Japan have been placed under control of a government owned Highway Corporation which has set up its books as a private company would do. In the U.S., government has abandoned economics in dealing with transportation, but Japan hasn't.

AMERICANS SAVE TIME ALONG THE LINE

Building bridges or unloading ballast, American truck or crawler cranes and excavators give you exceptionally mobile and versatile service on every job. Write us for detailed and illustrated information on the full line of heavy-duty equipment that assures you of high-volume, trouble-free performance.

AMERICAN HOIST
and Derrick Company
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EXCAVATORS-CRANES to 2 yds.-60 tons
LOCOMOTIVE CRANES to 130 tons

DERRICKS-HOISTS to 800 tons
REVOLVER CRANES to 400 tons

CROSBY-LAUGHLIN DIVISION
Forged fittings for wire rope-chain

IN CLOSE QUARTERS, an American 100 Series Truck crane digs into this reballasting job with speed and efficiency.

IN OPEN COUNTRY, the same machine moves quickly from one site to another, keeping trucks on the move, finishing the job on schedule.

People in the News

NEW HAVEN.—Philip F. McElroy appointed manager, loading-packaging service, in charge of a newly established service directed toward damage-free rail shipments. The new section will coordinate freight loss and damage prevention work and offer special services to freight shippers and receivers.

NEW YORK CENTRAL.—Joseph M. Ostrow, assistant director of market research, New York, named director of market research.

T. M. Hayes appointed project engineer in charge of installation of CTC on the Toledo division between Berea and Toledo, Ohio, with headquarters at Toledo. **E. C. Jackson,** assistant general signal inspector, Western district, Cleveland, promoted to general signal inspector there, succeeding Mr. Hayes. **D. A. Walker** replaces Mr. Jackson.

Eugene M. Daly, trainmaster on the Chicago River & Indiana, Chicago, appointed terminal trainmaster at Blue Island, Ill. **Leo V. Holmes,** road foreman, Blue Island, appointed trainmaster there. **Edwin C. Stuart,** analyst, Gibson, Ind., named trainmaster, Chicago. **James N. Page,** terminal superintendent, Elkhart, Ind., transferred to Avon Yard, Indianapolis.

Ben B. Dulaney
N&W

Charles H. Campbell
REA

Stephen A. Fedan
REA

Christian W. Rossworn
UP

George E. Herrman
Alcoa

Elwyn T. Ahnquist
P-S

James E. Osting, general yardmaster, Louisville, Ky., named superintendent—agent there, succeeding **Veral F. Lowe,** retired. **John I. Beaver,** assistant trainmaster, Indianapolis, named trainmaster there.

Marshall I. Yasuna named mechanical and electrical engineer, system, New York, succeeding **Harry W. Walsh,** retired.

John M. Burke, assistant freight sales manager, Cincinnati, appointed freight sales manager there, succeeding **J. Russell Ray,** retired. **Richard J. Ising** and **I. Jack Bader** appointed assistant freight sales managers, Cincinnati. Mr. Ising was formerly district freight sales manager, Evansville, Ind., and Mr. Bader was rate liaison officer, Cincinnati. **James S. Sheahan,** district freight sales manager, Toledo, appointed division freight sales manager there.

NORFOLK & WESTERN.—Ben B. Dulaney, public relations representative, Roanoke, Va., named to the newly created position of manager of news and community services, public relations and advertising department.

John B. Anderson, resident engineer—inspection, engineering department, appointed industrial agent. **James C. Moynihan,** assistant supervisor bridges and buildings, Norfolk, succeeds Mr. Anderson. **James N. Carter,** instrumentman, Bluefield office, succeeds Mr. Moynihan.

RAILWAY EXPRESS AGENCY.—Charles H. Campbell, assistant to president and assistant secretary, New York, appointed assistant vice president operations there. **Stephen A. Fedan,** mechanical engineer, appointed chief engineer, succeeding **Warren L. Serenbetz,** who has been named assistant to vice president operations.

SOUTHERN PACIFIC.—Robert E. Plummer, treasurer, Pacific Lines, San Francisco, retired March 31.

UNION PACIFIC.—Christian W. Rossworn, assistant secretary, named secretary, New York, succeeding **Arnold C. Sherwood,** who retired April 1. **Albert H. Mathis,** chief clerk to secretary, succeeds Mr. Rossworn.

WESTERN MARYLAND.—William H. Reinhart appointed traffic representative, 605 Chrysler Building, New York, succeeding **Alfred D. Redmond,** promoted.

Supply Trade

George E. Herrman has been appointed manager of transportation sales, **Aluminum Co. of America.**

Elwyn T. Ahnquist, administrative assistant in the office of the president, **Pullman Inc.,** has been appointed railroad sales manager-administrative, **Pullman-Standard.**

John T. Hittinger, assistant to vice president—traffic, **Bethlehem Steel Co.,** retired March 31, after 43 years service.

American Steel Foundries, Chicago, on April 1 moved the Western sales office of its Transportation Equipment Division from Denver, Colo., to 1557 Russ Building, San Francisco 4, Cal. **Richard T. Coyne,** district sales manager, continues in charge of the office.

Effective early in May, the name of the **Standard Railway Equipment Manufacturing Co.** will be changed to **Stanray Corp.**

John K. Williams has been appointed assistant director of public relations, **Electro-Motive Division** of **General Motors Corp.**

John P. Lynch, formerly with **American Car & Foundry, Division of ACF Industries,** has joined the sales department of **Standard Forgings Corp.,** Chicago.

W. W. Matchneer has retired as vice president of the **Buckeye Steel Castings Co.** and becomes sales consultant. **George T. Johnson, Jr.,** southeastern representative, elected vice president—sales.

Griffin Wheel Co., subsidiary of **American Steel Foundries,** Chicago, has opened a cast iron pressure pipe plant in Council Bluffs, Iowa.

J. S. Stevens, assistant manager of sales, **Air Reduction Sales Co.,** Charlotte, N.C., has been appointed district manager, 124 South 16th Street, Birmingham 3, Ala., succeeding **J. M. Crockett,** who has been transferred to New York.

Harry W. Fuller has been named a staff engineer for the carrier and radio sales division of **Automatic Electric Sales Corp.,** at New York. Mr. Fuller is responsible for providing technical advice and consultant service to telephone, railroad and pipeline companies on the application of carrier and microwave radio.

Robert A. Haack has been appointed Chicago district representative of railway sales for the **American Car & Foundry Division of ACF Industries, Inc.** Mr. Haack was formerly Chicago district sales manager of Yuba Consolidated Industries, Inc.

William Bajari of Norwalk, Cal., has been named field representative for the **Arcair Co.,** Bremerton, Wash. **Richard Henderson** has been appointed chief engineer for Arcair, Lancaster, Ohio.

G. A. Meisinger, vice president of **Kordell Industries, Inc.,** Mishawaka, Ind., will head a new industrial coating division of that company. The new division has acquired facilities in Niles, Mich., on the **New York Central** in which to do chemical protective coatings applications on tank cars and all types of chemical and food processing equipment.

Robert M. Smith has joined the sales staff of the industrial division's metal products section, **Motor Wheel Corp.,** Lansing, Mich.

OBITUARY

R. J. Beilsmith, who retired in 1955 as assistant superintendent of communications of the **Wabash,** died March 13.

Ira F. Davis, 84, who retired in 1947 as engineer of coal properties, **Chesapeake & Ohio,** died March 19 at Onancock, Va.

Harold A. Freeman, 71, retired general freight agent, **Grand Trunk Western,** died March 23 at San Pierre, Ind.

Carl B. Walker, 68, freight traffic manager—sales and service, **Southern,** Washington, D.C., died March 27 at Georgetown Hospital shortly after an accidental fall at his home.

Willard S. Miller, assistant treasurer and auditor, **Interstate Railroad,** Andover, Va., died March 19 at his office.

BUCKEYE *cast steel* UNDERFRAME ENDS

- Incorporates important underframe parts into a rugged integral unit . . acceptable in A.A.R. interchange.
- Adaptable to various types of car underframes . . new or rebuilt.
- Accurate, one-piece casting simplifies shop work . . speeds car construction.
- Impact resistant design cuts troublesome structural failures . . increases car life.

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WHERE TOUGHNESS COUNTS!

(Cast in A.A.R. Grade B Steel)

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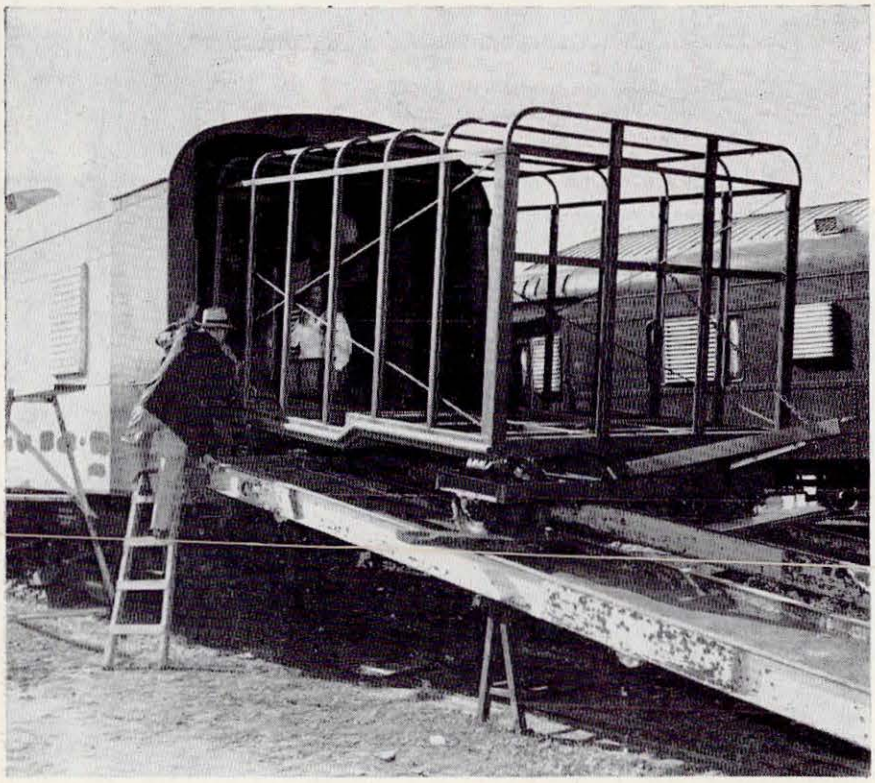


CIRCUS WAGONS will be riding the rails again after May 16. This time, though, they'll be inside converted Pullmans instead of decorating open flats.

RETURN TO RAILS is the decision of Executive Director Arthur M. Concello (center) because of cost and confusion of highway travel.

Ringlin

A circus manager has to be sure his show will be on hand for every performance. So, when the Ringling Bros. and Barnum & Bailey Circus leaves New York next month for its cross-country tour it will be traveling by rail again.

When the circus abandoned its big tent in 1956 in favor of indoor operation, it automatically cut its transportation requirements by almost 80%. Twenty-six separate tents, plus all the accessories and people needed to put them up and take them down, came off the personnel and equipment rosters. It seemed like a good time to try private highway transportation.

So the circus flats, stock cars and Pullmans went into dead storage at Sarasota winter quarters. Except for the elephants, which traveled from city to city in three baggage cars, the show traveled by highway—diesel trucks, private autos, buses.

PAINT AND REPAIRS are handled at winter quarters in Sarasota, Fla. Cars have been stored for 3 years.

Circus Returns to the Rails

Executive Director Arthur M. Concello, who had planned the motor-vehicle experiment, soon found that highway travel was not only expensive but much too disorganized for a circus manager's peace of mind. The most serious drawback was that the circus no longer operated on a coordinated master schedule. Individuals would be delayed by breakdowns, others would get lost, traffic slowed still others, and the weather was always an uncertain quantity. Having performers late or absent, or equipment lost or damaged, would have been hard to justify even if the highway experiment had produced substantial savings. When unit costs by highway turned out to be comparable to unit costs by rail, Mr. Concello began to consider returning to the railroads.

With steadily increasing business from '57 through '59 to demonstrate that the new indoor operation was meeting public favor, Mr. Concello decided late last year to make the switch back to rail transportation, effective as soon in 1960 as the circus cars could be overhauled and modified to meet the show's new requirements.

The last train movements Ringling Bros. and Barnum & Bailey had run consisted of 90 cars, broken up into three trains. At one time, it had taken 120 cars to move the circus.

Now—One 15-Car Train

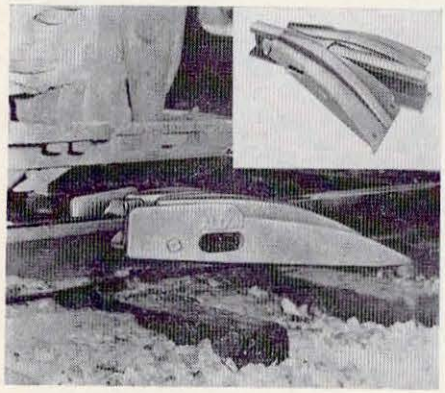
For the 1960 operation, though, the streamlined circus—without tents and with a smaller menagerie—will move in one 15-car train. Seven of the cars will be sleepers, one a restaurant-club car, four baggage cars and three animal cars. From the outside, all of the cars will look pretty much alike. The animal cars and baggage cars are all converted from what had been personnel sleepers.

The circus will no longer use the long strings of flat cars on which the conventional circus loading of piggyback was developed. The familiar ramps at the end of the cars will be retained for unloading wagons and trailers through baggage-car end doors. And the elephants are still available if muscle is needed.

First run of the circus train in its new format will be May 16 when the circus leaves New York for Boston. Following will be a cross-country tour that will include 75 major cities and over 20,000 miles of travel before the season ends in Florida next December.

This season's train tour has been abbreviated while a maintenance staff at Sarasota under Ringling Trainmaster P. J. McLean has been working to get the cars ready. Next year, though, the entire tour of "The Greatest Show on Earth" will be in the long silver and red cars, and the circus manager can again be sure his whole show is on hand.

New Products Report

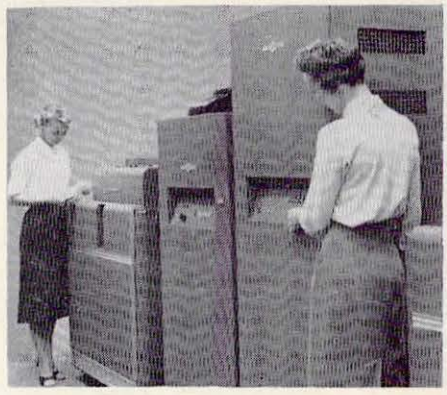


Car Replacer

Any two modified straddle-type Universal car replacers can be used as a pair. They are placed on the rails directly opposite each other, with ramp end toward derailed wheels. They can be used on wood or steel ties, regardless of roadbed condition, and with other replacer styles. Size E for 70- to 100-lb rail, and H for 100- to 155-lb rail, weigh 165 and 225 lb, respectively. *Aldon Co., Dept. RA, 3338 Ravenswood Ave., Chicago 13.*

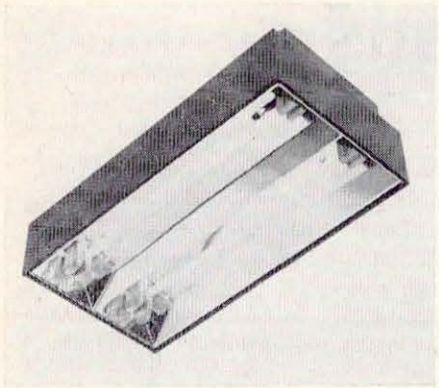
Container for Resistors

A corrugated container for resistors for diesel-electric locomotives is said to permit shipment savings of 25 lb and an average saving of 25% per 100-lb unit in freight charges. Resistors can be taken from the box with just a knife; no other tool is needed. No excelsior has to be blown from the resistors. *Repair and Renewal Parts Section, Locomotive and Car Equipment Department, General Electric Company, Dept. RA, Erie, Pa.*



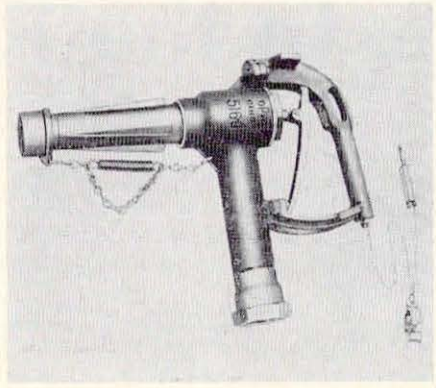
Kineplex Data Transmission

Kineplex data communications system is capable of transmitting 100 punched cards per minute over telephone or radio circuits. Binary-punched computer program cards may also be transmitted. The system reads the cards, converts the information to audio signals and transmits them over ordinary telephone or radio circuits. Receiving equipment converts the signals back into punched card form. *Collins Radio Co., Dept. RA, 2700 W. Olive Ave., Burbank, Cal.*



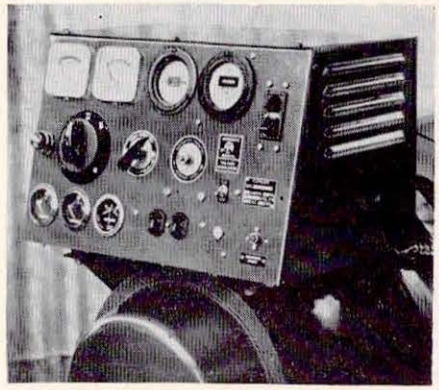
Infrared Heating Units

Luminator infrared heating units, designed with reflectors for use with GE T-3 tubular quartz infrared lamps having filament temperatures in excess of 4,000 deg F, convert about 85% of their energy into radiant heat. One-lamp fixtures range from 500 to 5,000 watts; two-lamp, from 1,000 to 10,000 watts, and three-lamp, from 1,500 to 15,000 watts—in lengths from 10½- to 55½-in. *Luminator, Inc., Dept. RA, 120 N. Peoria St., Chicago 7.*



Non-Drip Nozzle

Built-in check valves in the outlet ends of the 1½-in. and 2-in. No. 516-G and No. 516 non-drip nozzles eliminate hazards of dripping lubricating oil after crankcase refilling. The automatic nozzle, which meets military specifications, has fins on spout for venting, built-in strainer, ground wire and dust cap. It is available in 1½-in. and 2-in. sizes with aluminum bodies. *OPW-Jordan Corp., Dept. RA, 6013 Wiehe Road, Cincinnati 13, Ohio.*



Instrument Panel

A slope-front instrument panel has become standard equipment on Kohler electric plants in the 10- to 100-kw range. It is combined with the controller in one compact housing mounted on generator frame. A start-stop switch and cranking reset button are part of basic controller. Optional accessories include circuit breaker, ammeter, temperature gages, primer switch for diesel models, and duplex receptacles. *Kohler Co., Dept. RA, Kohler, Wis.*

"MY CHEVY DOES ABOUT 10 HOURS' WORK IN AN 8-HOUR DAY. I GET A LOT MORE DONE!" That's Charlie Harris, driver for Masters Fast Freight Service, Inc., talking. He drives one of the two 1960 Chevrolets that work for this S. Kearney, N. J., firm, trucks that average up to 100 tough stop-and-start miles a day, weaving through metropolitan New York's traffic-clogged streets. As Mr. Harris points out, Chevy's new ride and handling ease actually speed up deliveries—the Chevrolets do about 10 hours' work in an 8-hour day; come home with their work done 2 hours sooner than the other trucks. Driver Harris states, "It means I can get a lot more work done, make more pickups and deliveries in a day's time."

■ They're speaking right up, these owners of '60 Chevrolets; talking about a new truck-and-tire-saving ride that leads to shorter trip times, too. Chevy's independently suspended front wheels step right over bumps, virtually eliminate most of the severe impacts that can wear out trucks and tires before their time. You profit by a big savings on maintenance; get a bigger daily work output because these trucks float you over rough roads with fewer slow-downs. New Chevy cabs are built to last longer, boost driver efficiency. There's more leg room, head room and hip room than ever before, new visibility that's greater by more than 26%, new foam-padded seat, new tougher construction features—double panel roof, box-section door pillars and many more. Efficient power that knows the most about saving money—the result of Wedge-Head design in the big 348-cu.-in. Workmaster and Workmaster Special V8's, engines that give you up to 230 h.p., 335 ft.-lbs. of torque, truck-built components. Look into it for yourself; Chevy's totally new working ability is at your dealer's right now. . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

1960 CHEVROLET STURDI-BILT TRUCKS CHEVROLET

Letters from Readers

The Plane Truth

New Orleans, La.

To the Editor:

I noticed an article in a recent Railway Age having to do with some of the hazards of air travel (As the Publisher Sees It, RA, Feb. 22, p. 33) and it reminded me of one that was in the New Orleans Times Picayune last week, which I enclose herewith.

F. R. Denney
Mechanical Superintendent
New Orleans Union Passenger Terminal

(Times-Picayune Columnist Howard Jacobs told of the plight of a New Orleans man who (1) enplaned for Mobile (132 miles) to keep an appointment, (2) landed in Pensacola (another 42 miles) when fog closed in the Mobile airport, (3) rejected the airline's offer of bus transportation to Mobile since he'd already missed his appointment, and decided to fly back to New Orleans (174 miles), but (4) found the New Orleans airport fogged in and had to fly on to Houston (318 miles), whose airport closed down a few minutes later, forcing him to (5) stay overnight and fly back to New Orleans (318 miles) the following day.—Editor)

RRs in Politics?

Evanston, Ill.

To the Editor:

Below is a subject which might very well be worthwhile for consideration.

One line is trying to find an economic use of low-grade iron deposits along its right of way; another holds a stock show each year to upgrade future beef traffic. Experts are sent out to produce for the railroads—except in the category which matters most.

General Electric and others acquaint their employees with politics. Their people are encouraged to work for the party of their choice.

The result of railroads entering such a program would be worthwhile. If a state were to find that there were 500 precinct committeemen and numerous others in each part of their state, employed by the railroads, those state politicians would think again of the railroad problem; because these workers would have a good part in the margin of victory or defeat of a candidate.

In addition, railroads are interested that all their employees become "sales representatives." Politics will be another outlet for salesmanship.

In summary, what have the railroads gained up to now by staying out of politics?

George Thielen
Secretary in Freight Traffic
Chicago, Burlington & Quincy

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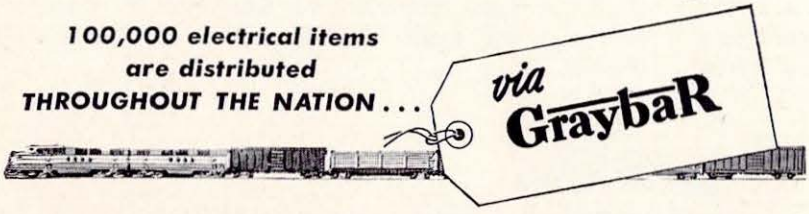


OFFICES AND WAREHOUSES IN OVER 130 PRINCIPAL CITIES

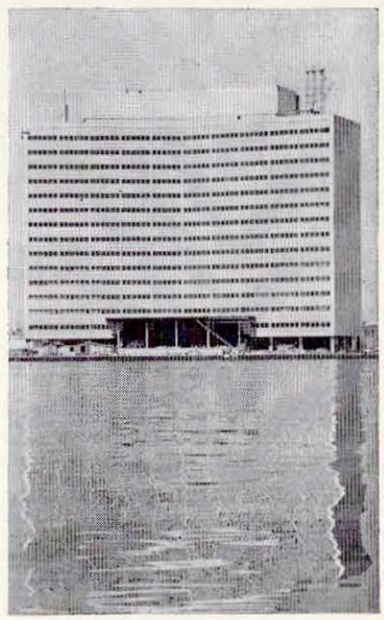
'J' PLAN CONTROLS COSTS

(Continued from page 18)

An indication of the control over salary expense afforded by the program is the relationship of the total salaried payroll encompassed by the plan to an artificial payroll calculated on the basis that each employee is presently being paid at the mid-point of the salary range for his position. Periodic reports based on this relationship give management a current and clear comparison of actual salary expense with a projected optimum salary expense.

Thanks to a tie-in with a more recent innovation on the J—a management appraisal program—individual performance standards for every member of the management team are made known. Each employee knows his classification, his salary range and what he must accomplish to become eligible for future merit salary boosts.

The salary administration program has aided in obtaining and retaining good management talent. Mr. Slocum says salaries on the EJ&E are above those on most small railroads. He adds: "We compare favorably with larger railroads that do not have a similar plan, and we find that we also compare favorably with other industries."



New ACL Home

Scheduled for completion July 1, Atlantic Coast Line's new general office building at Jacksonville, Fla., rises impressively above the waters of the St. John's River. ACL will transfer nearly 1,000 office employees to the new building from its present headquarters in Wilmington, N. C.

Missouri Pacific men know Bill Boris is always ready to lend a hand

Oil samples get an inspection from Missouri-Pacific's L. R. Christy, chief mechanical officer; H. M. Hoffmeister, general purchasing agent; Standard's Bill Boris; and O. L. Hope, assistant chief mechanical officer.

Missouri Pacific men know from experience that Standard Oil's Bill Boris gives them fast action and the right answers to their questions on diesel fuel and diesel lubrication. These MoPac men have found that Bill Boris' recommendations can be depended upon because Bill has the training and experience required for such work. Bill has a degree in mechanical engineering from Purdue and has been in railway sales and service work for 13 years. He has another four years' experience in Standard's research laboratory working on diesel fuels and lube oils. Bill has also completed the Standard Oil Sales Engineering School.

Bill Boris and other men of similar experience are continuously in the field appraising and evaluating diesel fuel and lubricant performance. They bring these data to the attention of Standard's research and manufacturing people as a means of helping customers get the best petroleum products it is possible to provide. Standard's railway sales specialists also act as the liaison between railroad customers and the marketing, supply, transportation and other departments of Standard. These men know railroad problems and know how to interpret the problems to Standard's management.

Standard Oil men with experience serving railroads are ready to serve *you* anywhere in the 15 Midwest or Rocky Mountain states. For their help, write or call Railway Sales Department, **Standard Oil Company (Indiana), 910 South Michigan Avenue, Chicago 80, Illinois.**

You expect more from **STANDARD** *and you get it!*

MARKET OUTLOOK *at a glance*

Carloadings Rise 3.3% Above Previous Week's

Loadings of revenue freight in the week ended March 26 totaled 600,926 cars, the Association of American Railroads announced on March 31. This was an increase of 19,449 cars, or 3.3%, compared with the previous week; a decrease of 3,466 cars, or 0.6%, compared with the corresponding week last year; and an increase of 68,653 cars, or 12.9%, compared with the equivalent 1958 week.

Loadings of revenue freight for the week ended March 19 totaled 581,477 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, March 19

District	1960	1959	1958
Eastern	94,571	94,931	84,388
Allegheny	110,891	117,036	90,633
Pocahontas	51,604	50,122	45,554
Southern	106,179	110,188	105,588
Northwestern	61,389	63,476	60,327
Central Western	109,084	115,870	99,452
Southwestern	47,759	52,262	47,055
Total Western Districts	218,232	231,608	206,834
Total All Roads	581,477	603,885	532,997
Commodities:			
Grain and grain products	48,170	51,120	52,111
Livestock	4,582	5,174	5,106
Coal	114,067	104,062	101,323
Coke	12,024	10,854	5,886
Forest Products	36,905	39,231	33,367
Ore	19,969	19,243	15,013
Merchandise l.c.l.	38,219	43,537	46,942
Miscellaneous	307,541	330,664	273,249
March 19	581,477	603,885	532,997
March 12	560,230	596,180	539,127
March 5	557,607	595,475	544,374
Feb. 27	553,153	575,334	551,192
Feb. 20	571,625	583,741	494,919
Cumulative total, 11 weeks	6,378,639	6,362,769	5,972,504

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended March 19 totaled 10,995 cars, compared with 7,857 for the corresponding 1959 week. Loadings for 1960 up to March 19 totaled 112,173 cars, compared with 77,040 for the corresponding period of 1959.

IN CANADA.—Carloadings for the seven-day period ended March 14 totaled 67,207 cars, compared with 64,993 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
March 14, 1960	67,207	29,670
March 14, 1959	66,622	29,319
Cumulative Totals		
March 14, 1960	676,811	310,969
March 14, 1959	677,334	286,888

New Equipment

FREIGHT-TRAIN CARS

► *Canadian National.*—Ordered 50 3,000-cu-ft-capacity covered hopper cars from Marine Industries. Two will be experimental tank-type aluminum-alloy cars (RA, March 28, p. 7) and 48 will be steel cars of conventional construction.

► *Clinchfield.*—Ordered 25 50½-ft roller bearing box cars from Pullman-Standard at a cost of $318,000. Cars will be equipped with 9-ft side doors and DF loaders. Delivery is scheduled for May.

SPECIAL

► *Bendix Radio Division.*—Has received orders from seven railroads—Santa Fe, Erie, Great Northern, Northern Pacific, Baltimore & Ohio, Rock Island, Texas & Pacific—for its 2R series transistorized radio. Santa Fe and Erie placed initial orders for a total of 326 units; size of other orders was not specified.

► *Delaware & Hudson.*—Has appropriated $245,000 for the purchase of new roadway machinery and tools—part of a $3,700,000 capital improvement program previously announced.

New Facilities

► *Illinois Central.*—Authorized two radio installations costing about $153,000. One system at Memphis, Tenn., terminal will consist of a base station with remote controls at 10 locations; radio on 31 switch engines, diesel inspection truck and three automobiles; and three portable radios for supervisory personnel and special agents. A base station with remote controls and nine portable sets will be used by car inspectors at Johnston Yard. The second installation will cover a freight line between Johnston Yard and North Jackson, Miss., about 200 miles. This system will have 11 wayside stations; 20 radio sets for use on 35 locomotives and 20 portable sets for use in cabooses.

► *Texas & Pacific.*—Rail replacement program will cover 44.5 miles of main line track in four locations. Total expenditure will be about $833,700. Program includes replacement of 112-pound rail with 112-pound relay rail welded into 654-ft lengths over 35.3 miles between Melville and Bunkie, La.; replacement of 112-pound rail with new 115-pound rail welded into 156-ft lengths over 5.9 miles between Bunkie and Cheneyville, La.; replacement of 110-pound rail with new 115-pound rail over 1.4 miles at Longview, Tex.; and replacement of 110-pound rail with new 115-pound rail over 1.9 miles at Metz, Tex. Other major 1960 projects include construction of piggyback facilities at Dallas and East Dallas, Tex., $251,000; extension of carloading warehouse at East Dallas, $104,000; and installation of automatic flashing light signals at six grade crossings at Alexandria, La., $52,000.

RAILWAY AGE time-saver page

M/W equipment manufacturers . . .

. . . and railroad equipment men urge

Better Training for Operators, Mechanics

► The Story at a Glance: A panel composed of manufacturers' representatives and railroad M/W equipment men, sitting before the recent AREA convention, agreed that good machine operators and good mechanics are part of "the backbone of good track." They also agreed that training programs for such personnel are needed. But there were also points of contention, such as the use (or non-use) and adequacy of manufacturers' instruction manuals and the best way of using manufacturers' service men.

Many railroads are not getting optimum use from their large investments in maintenance-of-way work equipment. A primary reason for this state of affairs is the lack of competent and properly trained operators for running the machines and mechanics for repairing them.

These conclusions were implied over and over again during a panel discussion at the Sherman Hotel, Chicago, during the annual convention of the American Railway Engineering Association.

Who's Who on the Panel

Moderator

R. K. Johnson, superintendent of work equipment and reclamation—system, C&O.

Panelists

Morton S. Westlund, vice president, Jackson Vibrators, Inc.

P. S. Settle, vice president, Railway Maintenance Corporation.

Royce Kershaw, president, Kershaw Manufacturing Company.

C. H. Johnson, vice president, Fairmont Railway Motors, Inc.

W. B. Blix, manager, Railway Equipment Division, Nordberg Manufacturing Company.

Paul Martin, methods engineer, New York Central System.

V. W. Oswalt, Sr., superintendent maintenance equipment, Central of Georgia.

J. W. Risk, superintendent work equipment, Canadian National.

F. L. Etchison, chief engineer, Western Maryland.

G. R. Collier, chief engineer, Gulf, Colorado & Santa Fe.

The panelists: Five representatives of work equipment manufacturers, and five railroad equipment men, all members of the AREA's Committee on Maintenance of Way Work Equipment.

Their subject: "Training of work equipment operators and mechanics."

The background of this feature of the AREA program was explained by R. A. Radspinner, supervisor of roadway machines and equipment of the C&O at Saginaw, Mich., who introduced the discussion in the absence of the chairman of the committee, F. L. Horn, engineer of track of the Terminal Railroad Association of St. Louis.

It started, said Mr. Radspinner, in 1958, when nine of the leading work equipment manufacturers addressed a letter to the president of the AREA requesting suggestions as to how the suppliers might assist their customers in obtaining maximum results from their investments in work equipment. The manufacturers, he explained, "were concerned with the fact that some railroads did not have trained men to operate and maintain their work equipment, resulting in poor operation and maintenance, undue wear and abuse, and excessive downtime, all of which prevent maximum production."

To deal with the request a special subcommittee of the Maintenance of

Way Work Equipment committee was appointed to meet with representatives of the manufacturers and report back to the general committee. Later, however, it was decided that the report would be "of more benefit to both groups if it were presented in the form of a panel discussion."

Mr. Radspinner emphasized that the members of the panel were "not necessarily expressing their own personal ideas or those of companies they represent." The manufacturers' representatives, he said, had been chosen by the suppliers' group to present the views of the participating industries. The railroad representatives had "been chosen by this committee to present the views of the committee."

When called on by the moderator—the C&O's R. K. Johnson—the manufacturers' representatives were ready with suggestions—and not a few grievances—on what railroads can do to improve performance of their machine operators and mechanics. Railroad members of the panel, for their part, frankly admitted existence of the problem and had some suggestions of their own for solving it. They also admitted to a grievance or two themselves.

All agreed that capable, properly trained operators and mechanics are vital to the efficient operation of machines.

Operators Are 'Greatest Problem'

"Our greatest problem," said Nordberg's W. B. Blix, "is the machine operator." A green operator, he added, "can do more damage to a machine in a couple of days than a trained operator will experience in a whole working season. He can also harm your track. Our experience has been that requests for emergency service help, as well as 'rush' orders for repair parts on account of breakdown, are almost always coincidental with the assignment of new operators."

Added Fairmont's C. H. Johnson: "A poor operator, operating a single machine in an operation where only one machine is required, will not get full production. Also this same poor operator, handling a given machine where a group of machines is used in sequence, will not only fail to get full production from his machine but he also prevents the other operators working with him from securing full production from their units. This reduces the production of the entire force."

P. S. Settle of Railway Maintenance Corporation, adding his bit to the difficulties encountered by manufacturers, said: "Our greatest trouble lies with mechanics who not only cannot operate the machine but have never overhauled or repaired it and do not know where to look for the trouble."

Why do railroads have poor operators and mechanics? Here's one reason, as explained by Mr. Blix: "Our job of teaching your operators is all too frequently complicated by a constant change in personnel. A service man will train an operator for a certain machine and a week or so later a senior employee bumps him or is awarded the job. Frequently we are asked to train this new man. Then the machine, but not the trained operator, is transferred to a different district and another new man assigned to it."

C. H. Johnson added this explanation: "On some roads," he said, "a laborer is assigned to a machine and taught to operate it. This may be a machine that required little skill. However, this laborer immediately is placed on the operators' roster and without further training is placed on other machines that are more complicated and require more skill. Again the result is lower production."

Mr. Johnson also pointed out that a poor operator, when used to train a new operator, "teaches the trainee all his bad habits and you get another poor operator. Then the second man teaches a third, and you end up with additional poor operators."

Remarking that some roads have "no mechanics at all" and have "no method of training either operators or mechanics," Mr. Settle noted that his company's service men "endeavor to teach the mechanic as much as we can at the time we break in the operator." However, he said, "in a lot of instances the mechanic does not stay with our service men long enough to become as familiar as he should with our machine. In a lot of other cases some of the men have not had sufficient experience or training to be good mechanics."

Suggestions for overcoming some of these situations were made by railroad members of the panel. The Santa Fe's G. R. Collier, referring to a remark made by Mr. Blix, said the "shifting of the operators in the first instance could be eliminated to a great extent if railroads would establish a separate machine operators' seniority roster; would advertise and assign the position to the senior operator before the new machine is received; and then have this man available for training when the machine is placed in service. In some instances it may be well to have the service man train another operator at the same time he is training the assigned operator."

The establishing of a supervisory position carrying the title, "operator instructor," is an idea contributed by Panelist Paul Martin of the New York Central. A man chosen for this position, he said, should have "past experience as a skilled operator on a variety of machines, a thorough knowledge of the mechanics of the machines and the ability to impart his knowledge to others. His function is not only to thoroughly train operators but to keep an eye on them after they are trained. . . He also is the final authority as to whether a man is qualified to be included on the roster."

The value of training schools set up by the manufacturers at their plants, preferably during the winter, was the main point made by the Western Maryland's F. L. Etchison. The purpose of the schools, he said, would be to instruct supervisors and mechanics in maintenance and repair of work equipment. He believes the situation "could be improved if manufacturers were to set up" such schools.

Mr. Etchison also believes there should be more frequent visits of manufacturers' representatives to railroads. "At certain locations the railroad could assemble groups of its operators and mechanics, along with the supervision, so that the manufacturer's representative could lecture upon the care and operation of his equipment. . ."

Training Schools 'Effective'

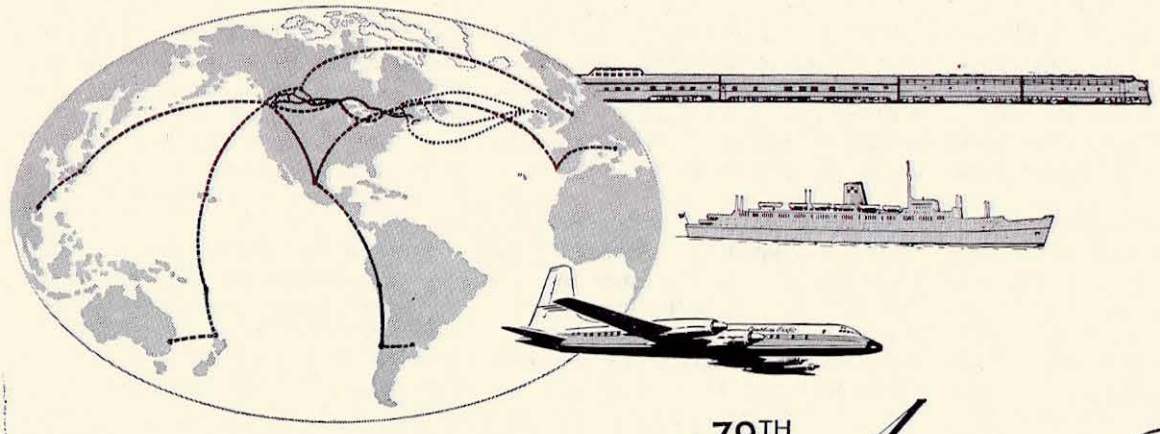
As a representative of a company that conducts training schools at its plant, Morton S. Westlund of Jackson Vibrators had something to say about this subject. These schools were started in January 1958, he explained, because it had been "increasingly difficult for us, through the medium of our field engineers, to secure enough of the working time of railroad men concerned with the maintenance of work equipment."

"If we may judge from comments of attending railroad personnel and official expressions, these schools have been of assistance to our customers," said Mr. Westlund. "We feel the schools are a very effective supplement to our field training."

While Panelist J. W. Risk of the CNR is "heartily in favor" of manufacturers' schooling, "we must not lose sight of the fact," he said, "that the best schooling a mechanic or operator can get is on the railroad—in the shop and in the field—and it is up to the railroad to train and qualify them." He expressed the opinion that a "field mechanic is better with some shop experience, and a shop mechanic is better if he has had some field experience."

A suggestion that the manufacturers have their service representatives make periodic visits to the machines in the field during the working season was made by V. W. Oswalt of the Central of Georgia. He would also have the service men visit railroad work-equip-

(Continued on page 43)



Canadian Pacific 79TH Annual Report RAILWAY COMPANY

Extracts from the report of the Directors to the Shareholders:

During 1959 your Company continued to improve and adjust its properties and services to meet changing requirements and to achieve increased efficiency. The dieselization program was brought close to completion, plans were advanced for new freight marshalling yards, centralized traffic control signal systems were installed in new areas, piggyback services were extended, and the new service integrating the handling of merchandise traffic was introduced in British Columbia. Also during the year the 17-storey, 400-room addition to the Royal York Hotel was opened, a daily domestic transcontinental service was inaugurated by your Air Lines, development of your oil and gas interests was actively pressed, and your Telex and microwave services were extended.

In May a Royal Commission was appointed to inquire into problems relating to railway transportation in Canada, and the possibility of removing or alleviating inequities in the freight rate structure. Your Company considers that the only serious inequity is that arising from fixed statutory rates on grain and grain products. The revenues received by your Company at these rates now fall far short of just and reasonable remuneration for the handling of this traffic. Accordingly, your Company has submitted to the Commission a plan which will maintain for Western grain growers the present level of freight charges on grain and grain products moving to export positions in Western Canada and at the same time provide the railways with compensation based on just and reasonable rates. Under this plan the difference is to be assumed by the Government of Canada as necessary assistance from the people of Canada to Western grain growers.

Competition from automobile travel has made it necessary over the past several years to adjust your railway passenger services. Passenger trains have been eliminated on some branch lines and reduced on certain main lines, and economies have been derived from the wide use of rail diesel cars. Continuing effort is being directed toward curtailing expenses in accordance with the reduction in railway passenger business.

Although 1959 witnessed a resumption in the upward trend of Canadian business activity which had been interrupted during the previous two years of recession, your railway did not participate fully in this recovery. Freight revenue was adversely affected by strikes in the steel industry in the United States and in the forest industry in British Columbia.

Railway revenue increased 2% over 1958, largely as a result of higher freight rates, while expenses increased 3% chiefly owing to increased labour costs. Net earnings were therefore slightly below those of 1958, and provided a return of only 2.7% on your net investment in railway property.

In view of the "freeze" on freight rates imposed by the Government last March, hearings were deferred on the application before the Board of Transport Commissioners for such increase as would permit attainment of the permissive level of rail earnings established by the Board for your Company. No clear indication has been given by the Government as to when it will be possible to proceed with the application. The results of operation of your steamships and hotels showed considerable improvement but a heavier loss in the operation of your Air Lines and the transfer of certain mineral rights to your wholly-owned subsidiary, Canadian Pacific Oil and Gas Limited, resulted in a decrease of 5% in Other Income as compared with the previous year.

Net Income, after fixed charges, totalled $31.3 million. After providing for dividends of 4% on Preference Stock, earnings available for dividends on Ordinary Stock and for reinvestment amounted to $28.3 million. This was equal to $1.97 per share on 14,332,006 shares of Ordinary Stock outstanding at the end of the year, compared with $2.09 per share on 14,211,783 shares outstanding at the end of 1958. Dividends on Ordinary Stock totalling $1.50 per share were declared, the same as in the previous year, and payment was made of 75¢ on August 1, 1959, and 75¢ on February 29, 1960.

Capital expenditures were $109 million. Of this, $67 million was expended on railway plant and equipment, $20 million on aircraft leased to your Air Lines, $12 million on steamships, and the remainder on communications, hotels, and other properties.

The Income Account of your Company shows the following results for the year ended December 31, 1959, with comparative figures for 1958:

(*next page please*)

Canadian Pacific

RAILWAYS • STEAMSHIPS • AIRLINES • HOTELS • EXPRESS • COMMUNICATIONS

Canadian Pacific

INCOME ACCOUNT

	1959	1958
Railway Revenue.....	$477,805,874	$467,410,853
Railway Expenses.....	441,759,581	430,919,006
Net Earnings....	$ 36,046,293	$ 36,491,847
Other Income....	12,677,751	13,408,712
	$ 48,724,044	$ 49,900,559
Fixed Charges...	17,435,113	16,997,521
Net Income.....	$ 31,288,931	$ 32,903,038
Dividends:		
Preference Stock	$ 3,029,053	$ 3,068,538
Ordinary Stock..	21,497,897	21,217,963
	$ 24,526,950	$ 24,286,501
Balance transferred to Retained Income Account	$ 6,761,981	$ 8,616,537

HIGHLIGHTS

Year-end Position		
Working Capital.	$ 89,960,458	$ 82,197,504
Investments....	156,967,926	163,197,279
Properties.....	2,349,479,762	2,278,665,735
Funded Debt....	186,463,477	192,471,000
Traffic		
Tons of Revenue Freight Carried	57,878,732	54,367,279
Revenue Passengers Carried.....	7,739,503	7,745,860
Revenue per Ton Mile of Freight	1.57c	1.47c
Revenue per Passenger Mile	2.99c	3.08c
Employees		
Employees, All Services..	79,882	82,853
Total Payroll...	$ 321,985,962	$ 316,116,884
Average Annual Wage.....	$ 4,031	$ 3,815
Tax Accruals		
Income Taxes..	$ 27,260,000	$ 23,640,000
Property and Other Taxes..	11,715,342	10,909,292

Canadian Pacific

• TRUCKING • PIGGYBACK

BETTER TRAINING *(Continued from page 41)*

ment shops while the machines are being overhauled during the off-season.

"The service men should visit oftener and stay longer," declared Mr. Oswalt. "It seems to me that, in some instances, the service men are spread pretty thin."

On this subject, Royce Kershaw of Kershaw Manufacturing remarked that service men are sometimes "spread pretty thin because of the way we must use them." There are times, he said, when they are sent to correct "some minor condition that could be taken care of in a few minutes by a good operator or a good mechanic." Service men also lose a "lot of time when placing a new machine in service or finding a machine that is in trouble. We will be told that a machine is to be placed in service at Podunk on the 15th. We send the service man to Podunk, only to find that the machine is at Tank Stop . . . a couple of hundred miles away, and will not be placed in service or unloaded until next week. If some calls of this kind could be eliminated, our regular service calls could be increased."

Manufacturers' instruction manuals and repair-parts lists came into the discussion. "We find," said Mr. Blix, "that the operators and mechanics pay very little attention to the instruction manuals and repair parts lists furnished by manufacturers." Noting that numerous telephone calls are received requesting repair parts, he said "the persons calling do not ask for the part by part number shown in our parts book but try to tell us what it looks like and where it fits in the machine. Sometimes we misunderstand and send the wrong part and this delays repairs."

While conceding this has been true in the past and still occurs in some cases, Mr. Oswalt said "some of the parts books and manuals are still somewhat confusing to the average operator and to some of the mechanics. In addition to simple step-by-step operating instructions, they should include definite recommendations as to the greases and oils and wire rope to be used. They should also include electrical and hydraulic-circuit diagrams."

In summing up the discussion Moderator Johnson noted that some roads, "despite the difficulties which they encounter in doing so, have set up workable and comprehensive training programs for operators and mechanics. So, we feel that some progress has been made, but there is still much to be done."

ICC to Study NH Operations

The ICC has broadened its investigation of a New Haven commuter-fare increase into a comprehensive probe of all that road's operations and practices which affect its passenger services and rates.

The fare increase in issue is the 10% hike which became effective Feb. 4. The Commission allowed it to become effective without suspension, but instituted an investigation, docketing the case as No. 33332. This order, issued Feb. 1 by the Commission's Division 2, launched only the usual type of inquiry into a rate change.

The broadening came in a supplemental order issued by the entire Commission on March 17. Where the original order referred only to the rates and rules of the tariffs in issue, the supplemental order went on to say that "particular attention" will also be given to such factors as "the effect of such fares on the volume of traffic, the need of adequate and efficient service in the public interest at the lowest possible cost consistent with the furnishing of the service, and the need of revenues sufficient to enable the carrier, under honest, economical and efficient management to provide such service."

The assignment of Commissioner Webb to conduct hearings to be held in connection with the investigation indicates the importance which the Commission attaches to the probe. While it is not unprecedented for a commissioner to sit with an examiner on hearings, it is quite unusual.

Times and places of the hearings have not yet been announced, but some sessions are expected to be held in New Haven, Conn. It is understood that the Commission hopes to develop a record which will enable it to make recommendations to state governments and others concerned with New Haven commutation services.

Another feature of the supplemental order is a provision which brings the Commission's Bureau of Inquiry and Compliance into the case.

The commuter-fare increase in issue was the first of a series of 10% advances which NH President George Alpert said would be published at six-months intervals unless there was government aid to offset losses from the road's commuter services.

You Ought To Know...

The Santa Fe is using a microwave link to transmit TCS (traffic control system) controls and indications. Transmission is by carrier on open-wire lines from the control office at Fresno to Bakersfield, then by microwave link to Barstow. Here the controls and indications are put on wire lines for the Mojave-Barstow TCS.

Less competition in passenger service would improve Canadian passenger revenues without affecting public convenience, CN President Donald Gordon told a Parliamentary committee. Although his road opposes further pooling on the present pattern, Mr. Gordon said, there is much needless competition that should be eliminated, perhaps by letting each road provide alternate daily service to common terminal points.

ACL-Seaboard merger studies are progressing rapidly. The engineering firms of Coverdale & Colpitts and Wyer, Dick & Co., have now submitted their reports. Next step (if justified by the exploratory studies: agreement on merger terms).

Experiments with transportation of petroleum products in collapsible rubber bags are being carried out by South African Railways. For test purposes, bags measuring 7½ by 11½ ft, with capacities of 850 gal. give car capacities of 3,400 gal., against 2,000 gal. for a railroad tanker.

Intensified market research (with special attention to transport needs of particular industries) is planned by New York Central. Object: "longer-range planning of service, p r i c i n g a n d physical plant." To implement expansion of the program, NYC has named Joseph M. Ostrow as market research director (see p. 30).

Mail revenue loss of $145,000 a year forced Northern Pacific to remove two daily passenger trains (Nos. 5 and 6) between Seattle and Spokane. They were to come off April 1.

Lewis K. Sillcox quit as first director of the New York State Office of Transportation, reportedly because Gov. Nelson Rockefeller is downgrading the office by reducing it to a unit of the Department of Commerce.

The only railroad serving Chicago's Lake Calumet harbor, the Rock Island has been fighting since 1957 to keep things that way. Turned down in a petition for reconsideration of a recent ICC decision that would allow IC, PRR, NYC, IHB, CSS&SB and Belt Railway of Chicago to share in the port's estimated annual 250,000-carload traffic, the RI now plans to go to the Federal courts.

A deferred payment plan for transportation purchased at its offices is being worked out by Santa Fe. The "go now, pay later" plan is expected to extend terms over a longer period than rail travel credit plans now in use on U.S. roads. A similar plan was adopted by CN last year.

Chicago's new Exposition Center will be the site of the exhibition to be staged by the National Railway Appliances Association in March 1961 in conjunction with the annual convention of the American Railway Engineering Association. A contract with the Metropolitan Fair and Exposition Authority covering space in the new center, now under construction on Chicago's lake front, was signed March 25, according to Kenneth Cavins, NRAA president. "This new location for our exhibit will offer modern facilities of all types and will provide a lot more space," said Mr. Cavins.

Mechanical tree planters have been developed by the Illinois Central for a reforestation project in southern Illinois. Some 250,000 pines will be planted on 325 acres of land owned by Madison Coal Corp., an IC subsidiary.

February storms plunged both the B&O and PRR into the red. B&O blamed a $1,669,446 loss on "abnormally high operating expenses" caused by snow. PRR said its $2,279,000 February deficit was caused largely by higher overhead, loss of traffic—both attributable to storms.

Reading steam excursions in 1960 figure to repeat 1959's sellout performance. The first trip (April 30) has sold out 16 cars five weeks in advance. The road has scheduled a re-run the next day to handle the overflow. The first excursion is a 385-mile trip from Wayne Junction (Philadelphia) to Gettysburg and return. Reading plans three other excursions later in the spring and summer—May 8, June 18, July 17.

PRR's 24th TrucTrain terminal is Buffalo, N. Y., effective April 1. Second morning delivery will be provided to and from Buffalo and Baltimore, New York, Philadelphia and Harrisburg, Pa.

Frozen broccoli and spinach at minus 122 degrees F. highlighted a demonstration last week by the Liquefreeze Co. of liquid nitrogen as a refrigerant. Temperature of the 60,000-lb shipment was recorded when a converted 20-year-old conventional PFE reefer was opened after eight days en route from California to New York. Cooled before departure to approximately minus 150 degrees F. by contact with liquid nitrogen at minus 320 degrees F., the load required no further attention or additional refrigeration. Special spring-loaded expanding - contracting insulation panels were the chief modifications of the car, which also had ice bunkers removed.

Inland water carriers are "disturbed" because their 1959 traffic (387 million net tons), while 6% above 1958, was still below 1957's record (392 million tons). A spokesman blamed "discriminatory factors."

Truckers are hailing Kentucky's action in upping truck weight limits from 59,640 to 73,280 pounds, are hopeful that other southern states will follow suit.

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Subsidy to Provide 11¼% Return?

Capital Airlines, the newspapers report, is seeking a substantial subsidy from the federal government—thereby highlighting the position of political favoritism enjoyed by all transportation agencies except the railroads and pipelines. Whether the request is granted or not makes no difference in the principle involved. Here is a major airline, in business to make money (and, incidentally, to provide a service to the public which is a convenience—whether it is a necessity or not); and because this airline has not been able to earn as much as it would like to earn, it now asks U.S. taxpayers to make up the difference.

Just how necessary to the convenience and well-being of the American public is the continued operation of Capital Airlines? Some limited experience as an airline patron enables us to venture the opinion that Capital does a pretty good job in serving its customers—i.e., superficial observation indicates that it does about as well in handling its passengers as other major airlines do. On the other hand, without checking the timetables in detail, there certainly are not many important cities served by Capital that are not also served by other airlines—and certainly none that is not provided with railroad service.

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If Capital were to cease operation entirely there are not many citizens who would have to stay home because of the lack of alternative transportation. Just what justification can there be, therefore, in the public interest, for taking some $13,000,000 out of the federal treasury and transferring it to Capital Airlines in order to make it a profitable enterprise?

In Capital's behalf, it may be said that there are a lot of much less important airlines which are enjoying such subsidies. If it is a matter of public policy to grant subsidies to provide air transportation to a lot of medium-sized cities which don't supply enough traffic to make an airline profitable from its own earnings, then it may be asked why similar assistance should be denied a really first-class airline, such as Capital?

The press reports say that Capital, if it gets the subsidy it seeks, will earn something over $3,000,000 for its stockholders during the next 12 months. It it doesn't get the subsidy, it will suffer a loss of almost $10,000,000. The airline calculates that it is entitled to earn a return of 11¼% on its investment—and, if it can't make this kind of money directly from its customers, then it is up to old Uncle Sam to ante up the difference.

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There are also a number of railroads with substandard earnings whose service is certainly as important to their local communities as the service of Capital Airlines is to its territory—even more important probably, because there are some pretty good sized cities that have only one railroad, while there are few places of importance with only one airline. Nobody will have to stretch his imagination very far to be able to name at least one railroad which is now suffering deficits, and the continued operation of which is practically indispensable to its territory. For such a railroad, it is not a question of earning 11¼% return, but that of earning any return whatever.

There are mighty few railroad people who want to see railroads subsidized, as some of the airlines are. As a matter of fact, the relief necessary to some hard-pressed railroads to enable them to assure continued essential service can be extended (in our opinion) without any subsidies whatever. The mere equalization of taxation of railroad fixed property with that levied against other forms of transportation would usually solve the problem. It isn't a question of railroads seeking, or getting, a hand-out, but merely attaining equitable treatment in taxation and regulation.

The request of Capital Airlines throws into sharp focus the vast difference in public policy in dealing with rail and air transportation. The federal government has, and exercises, a nursing function for air transportation (and, of course, for water and highway transportation too). But no government authority recognizes any responsibility whatever to encourage and make possible continued operation of essential railroad service.

The railroads do not need the federal government to serve them as a wet-nurse, but they do have the right to insist that both federal and local governments will refrain from taxing and regulating them to the degree that continuation of their essential service is threatened.

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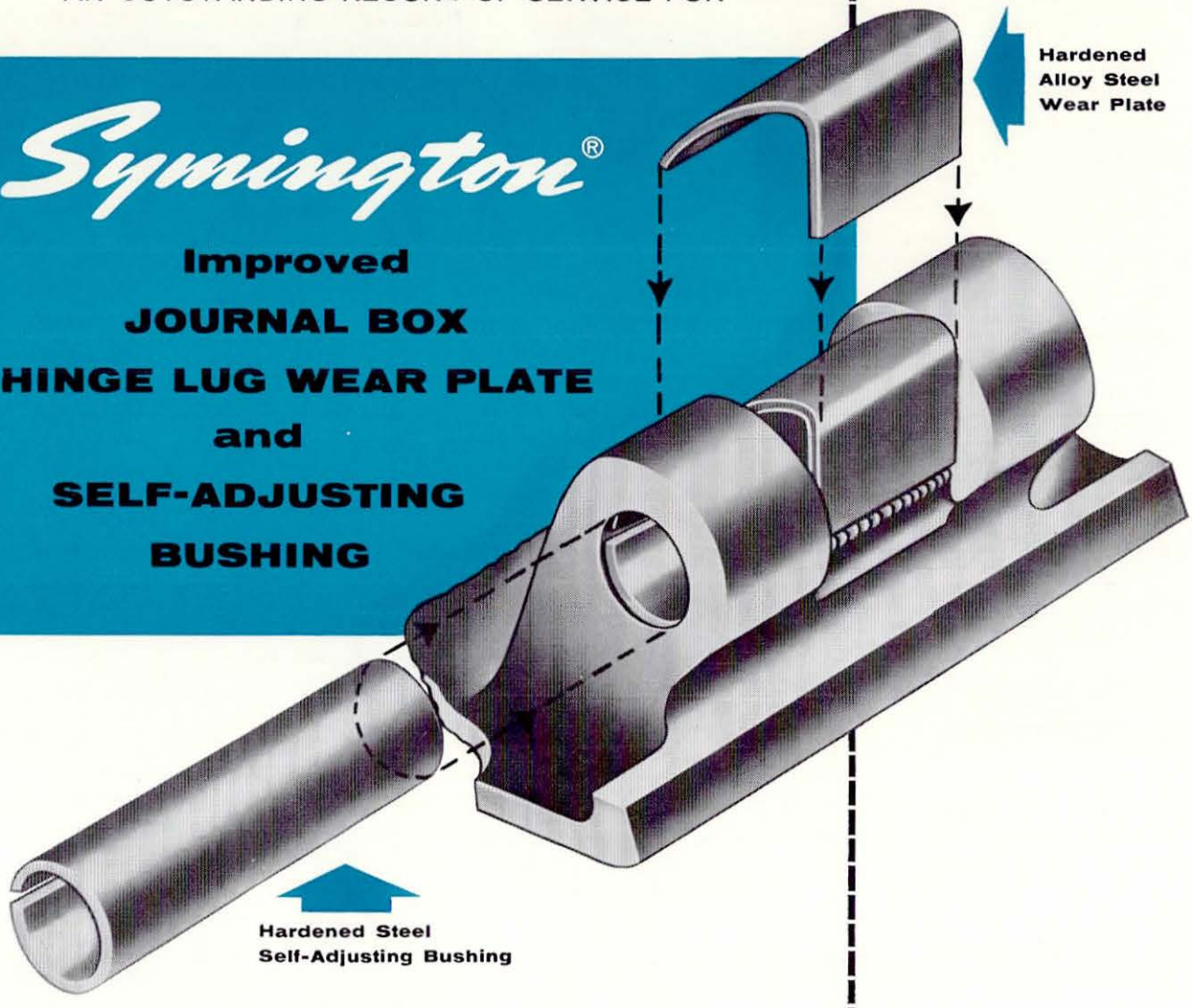

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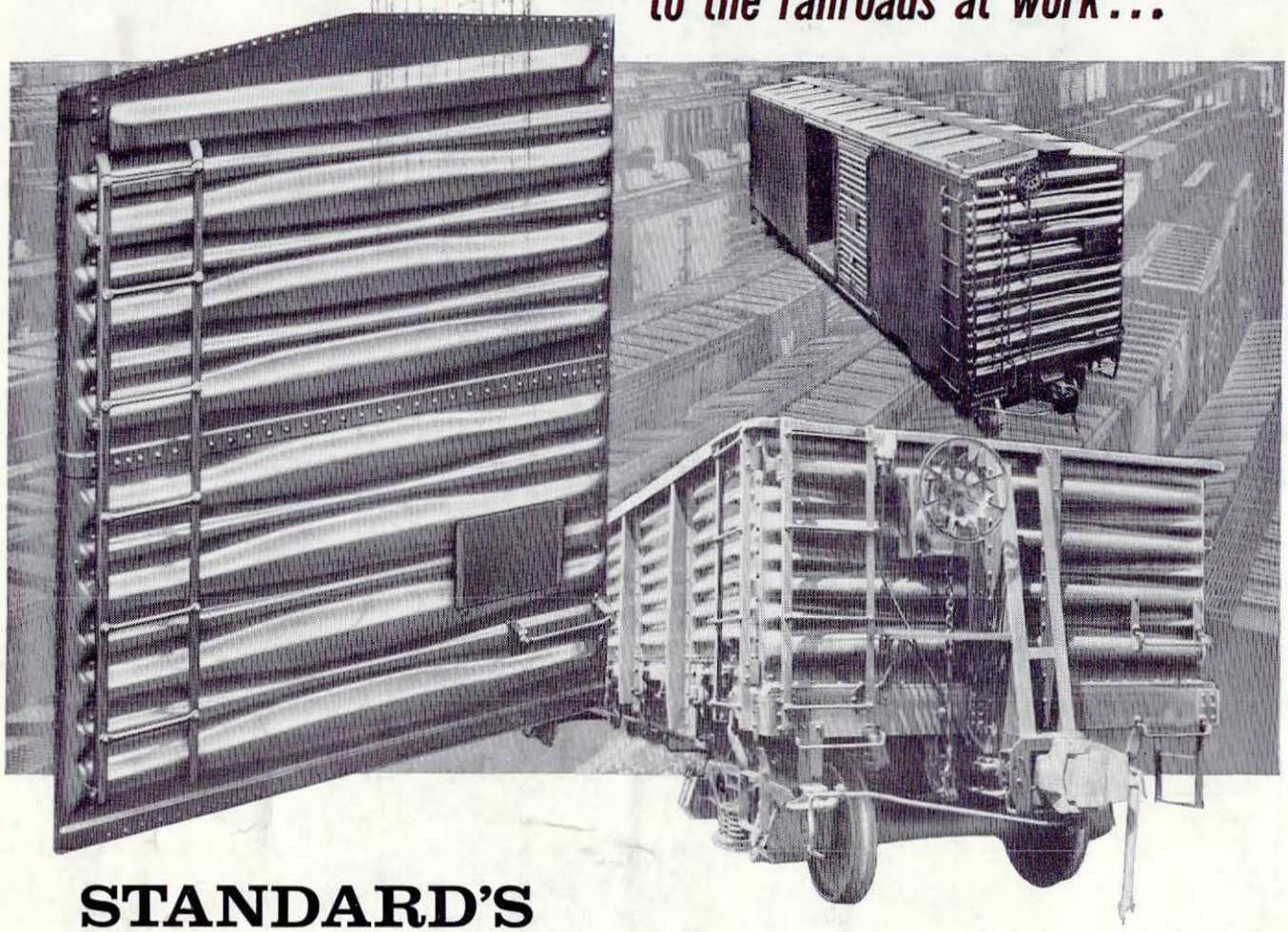

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